

Review of  
Economy and Environment Program for Southeast Asia (EEPSEA)  
for the Period 2013 to 2016

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## Contents

Abbreviations used in this report .....	iii
1. Executive summary .....	1
Summary of findings.....	1
Summary of recommendations.....	2
2. Terms of reference and overview .....	2
Sources and methods.....	2
3. Achievements over the lifetime of the project .....	3
Documentable accomplishments of EEPSEA in the long term .....	3
Evaluative comments .....	5
Conclusions: long term impact.....	6
4. Achievements in 2013-16.....	6
Documentable accomplishments in the current funding cycle.....	6
Achievements in comparative context.....	9
5. Transition to a new model .....	10
Sources and methods.....	10
The planned transition: from hub-and-spoke to a decentralized network.....	10
Evaluative comments .....	13
Recommendations: managing the transition to a new model.....	15
6. Donor synergies and support in the new model .....	15
Sources and methods.....	15
EEPSEA synergies with IDRC/SIDA activities in Southeast Asia .....	15
What role can donors play in the “new” EEPSEA? .....	17
Recommendations: donor synergies and support .....	17
Appendix A: Review terms of reference.....	19
Appendix B: Sources consulted .....	20

## Abbreviations used in this report

EEPSEA	Environment and Economy Program for Southeast Asia
EEP	Economy and Environment Partnership/EEPSEA Partnership
EEl/EEG/EEA	Economy and Environment Institute/Group/Association
EAAERE	East Asian Association of Environmental and Resource Economists
FEEM	Fondazione Eni Enrico Mattei
WRI	World Resources Institute
RFF	Resources for the Future
IDRC	International Development Research Center (Canada)
SIDA	Swedish International Development Cooperation Agency
SEARCA	Southeast Asia Research Center for Agriculture

## 1. Executive summary

The Environment and Economy Program for Southeast Asia (EEPSEA) was founded in May 1993 to promote research and education in environmental economics in Southeast Asia. Its focus is on training researchers and environmental decision-makers in the concepts and methods of environmental economics and policy analysis. It does this through a combination of training, large and small research grant-making, and catalytic and collaborative activities such as conferences and joint publications.

In this report we respond to a Terms of Reference provided by the program and reproduced here in an appendix. We evaluate EEPSEA's accomplishments in its most recent funding phase. We also take a brief look back at the program's achievements over its lifetime, and consider the future as it transitions away from its historic structure and funding base. Our review is based on interviews with participants at EEPSEA's 2016 Impact Conference (Bangkok, February 18-20, 2016), conversations and email exchanges with EEPSEA leadership, original data from EEPSEA's tracer surveys of training participants and research grant recipients, and a careful review of the program's document archive including proposals, annual reports, impact studies, and publications.

### Summary of findings

F1. Over its lifetime since 1993, EEPSEA has accomplished the feat of building a cadre of well-trained and highly motivated environmental economists in Southeast Asia, where no such group existed before. Moreover the program has been instrumental in bringing these economists together to acquire and share valuable knowledge, to the benefit of all. It is not clear that either the growth of this group or the sharing of knowledge among its members would have occurred in the absence of the program.

F2. The benefits of this training, research funding and creation of collaborative opportunities have spilled over among countries, and especially, in recent years, from the region's relatively more advanced countries to its relatively backward (in a development sense) ones.

F3. The current program funding cycle (2013-16) has seen increased and intensified efforts, outputs and impacts on virtually all important indicators of success. The review team is particularly encouraged by the successful transition of EEPSEA's research "center of gravity" from more to less advanced regional economies.

F4. The sequence of investments in knowledge creation, scientific research, translation of research-based findings to policy advice, and (where applicable) adoption of new or revised policies in response is of long duration and requires an extended commitment on the part of researchers and on the part of those on whose support they rely—international experts, local and international funding agencies, and so on.

F5. It is not at all clear that the transition from the program's current structure to a decentralized network of country-based groups will succeed in maintaining the momentum that EEPSEA has built up. The review team is not convinced that the decentralized structure will be capable of covering the fixed costs of linking with international experts, convening international

meetings for training and knowledge-sharing, managing research grants and publications, or other functions with large “fixed cost” components currently handled by the EEPSEA secretariat.

### Summary of recommendations

R1. The EE Partnership and its constituent EE organizations should take more concrete steps to preserve the benefits from cross-country coordination on training, research and exchange of ideas and policy advice. These steps might include a strategic alliance or alliances with existing regional organizations such as SEARCA or EAAERE.

R2. EEPSEA’s subject matter and approach continues to be of first-order relevance to the goals of its major funding agencies. The Environmental Economics Partnership (EEP) and its constituent country groups should pay careful attention to synergistic opportunities vis-à-vis the goals of overseas development agencies. These include contributions on environmental economics and policy but extend further, for example to drawing causal connections from climate change, environmental degradation and natural resource depletion to rising regional inequality even as economic growth remains robust.

R3. The donor agencies, for their part, should carefully consider their decision to terminate major funding support for EEPSEA in light of the program’s recent trajectory and the risk that much that has been built may be lost—and in light of their own national objectives on regional development and the global environment. Donor agencies may consider a more modest, focused two to four year funding mechanism achieve specific national and cross-national goals during the transition to a new structure.

## 2. Terms of reference and overview

The Terms of Reference for this review are attached as Appendix A. The charge to the evaluation team listed five objectives and three key questions. The first four objectives relate to past accomplishments and methods; the fifth seeks comment on the planned transition to a new institutional format. The first of the three questions asks about progress toward goals; the second about the design of the transition plan, and the third about roles or potential roles for donors going forward.

Our review report consists of this introduction plus three major sections. In the first, we take a long view of the goals and accomplishments of EEPSEA over its lifetime. In the second, we evaluate the program during its current project cycle (2013-16). Finally, in the third section we address the question of EEPSEA’s transition to a new institutional format for environmental economics research, training and policy advising in the region.

### Sources and methods

We gathered information for this review from a variety of sources (Appendix B). We met with individuals and groups at the EEPSEA Impact Conference in Bangkok, 17-20 February 2016. With limited lead time and access to EEPSEA researchers, we also relied heavily on document review, including past reports and evaluations. These were supplied to us by the EEPSEA secretariat.

The secretariat also gave us access to data collected in two recent surveys of EEPSEA participants. With these surveys in hand we saw no additional gain to be won by conducting an additional survey. We also interacted extensively with the EEPSEA director and secretariat, both in person and over email. We had no opportunity to interact with donor representatives since none attended the Bangkok meeting, but representatives of SIDA and IDRC were interviewed by phone and skype during the week of 6-10 June 2016.

### 3. Achievements over the lifetime of the project

This section focuses mainly on ToR Objectives No. 1-3: *assess EEPSEA Program's capacity strengthening effectiveness in building research, policy and teaching capacity related to environmental economics in Southeast Asia; assess scientific quality of research projects and the open call process; and assess to what extent gender equality perspective have been integrated into the open call process and research projects.*

#### Documentable accomplishments of EEPSEA in the long term

Unless otherwise stated, data in the following paragraphs and in the corresponding parts of section 4 are drawn from the EEPSEA document entitled "Research and Training Grants and Publications, 1993-2016."

*Training.* Over its lifetime from 1993 to date, EEPSEA has sponsored 132 training activities reaching 4,657 participants. Two-thirds (88) of these activities were either regional training courses or in-country training courses. The remainder were conferences and a variety of regional partnership activities. Over two-thirds (68%) of the participants in these training and conference activities were researchers, with the remainder drawn mainly from the policy community or natural resource management community. Among all participants in training programs, 37% were women. Women were especially highly represented in regional and in-country training courses.

*Research.* In 1993-2016, EEPSEA made a total of 435 competitive research grants. Most of these were individual research grants (62%) or dissertation research grants (13%). Small research grants, a distinct category, made up 15% of total research awards and nearly all were made since 2007, mainly to recipients in newly active countries like Myanmar. Finally, there were 10 cross-country research grants.

Grants were distributed across many topics in environmental economics. The single most prevalent topic was pollution control (24% of grants awarded). Natural resource topics (forestry, agriculture, coastal/marine, protected area/biodiversity and water) accounted for 55% of grants. Climate change was 12%, energy and minerals 6%, and social/behavioral economics 4%. This distribution by numbers of grants made seems a reasonably proportional reflection of environmental issues in Southeast Asia, whose regional economies are almost without exception highly dependent on agriculture, fisheries and other natural resource-based activities as sources of income. We are unable on the basis of available data to see how these topic-wise allocations have evolved over time, except to note that the long-term percentages are closely matched by those in the most recent funding cycle (see section 4).

Among the countries, China, Philippines and Vietnam have each accounted for approximately 20% of research awards. Indonesia and Thailand have each received about 10%, with the remaining 20% going to seven other countries. Vietnam's share in total awards has increased every funding cycle, while the shares of China and the Philippines have both declined since the 1990s. Myanmar, a new EEPSEA participant, accounted for 11% of awards in the most recent funding cycle, though these were almost all small grants.

*Mentoring.* All EEPSEA activities involve a significant mentoring component. Mentoring occurs between the program's resource persons and regional researchers, and (increasingly) among researchers themselves. EEPSEA grant recipients identify mentoring as a key element of their interactions with the program. EEPSEA's mentoring program is a unique feature aimed at participants who (frequently) with low English proficiency and incomplete knowledge of a specialized economics field. Comparing the competence and capability of participants—particularly in the case of Vietnamese researchers (since one of the present reviewers was on the EEPSEA Board from 1993) between their first interactions with the program and their present performance, we can appreciate how effectively EEPSEA has produced competent human resources in environmental economics for participating countries. The "graduated" EEPSEA participants have grown professionally and are noticeably more effective in teaching and research in their respective institutions.

*Publications.* EEPSEA researchers have produced 647 publications of all types since 1993, including 225 research reports, 152 journal articles and 21 books. More than half these publications have been produced in the past two funding cycles (that is, 2007 to date).

*Lasting impacts.* There is no doubt that EEPSEA has permanently altered the environmental economics profession in Southeast Asia, and had a measurable impact on environmental policy and practice. The program's own impact reports<sup>1</sup> are credible documents providing numerous examples of quantifiable impacts; we will not reiterate their content here but recommend that they be read alongside this report. On policy advocacy, some of the most significant contributions in participating countries can be briefly mentioned: institutionalizing environmental economics in decision making in planning and management of biodiversity resources in many countries; mangrove rehabilitation in Western Visayas, Philippines; Jakarta's flood reduction efforts; sustainable approach in financing protected areas; effective community waste management by "waste bank" organization, and several more.

EEPSEA's accomplishments in the region's poorer and less open economies deserve mention. The program has always prioritized expansion from more to less advanced parts of Southeast Asia (the experience of Vietnam, which is now one of the most active EEPSEA groups, is a case in point). The decision to relocate the EEPSEA secretariat to Phnom Penh, Cambodia in 2005-06 was a tangible expression of this policy, but there have been many more substantive steps too. The general strategy for this was summarized in a previous review report:

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<sup>1</sup> For example, *From Paper to Policy: Building Environmental Economics Research Impact: EEPSEA 2000-2009* (EEPSEA 2009), and *Creating Greater Synergy in the Economic Analysis of Environmental Issues: Our Stories* (EEPSEA, 2016).

EEPSEA does not have country-specific distributional targets. Instead, it aims to fund the best proposals it receives. If it receives few or weak proposals from a particular country, it responds not by lowering the standards of its regular research grants but rather by developing activities to improve local research capacity and, as illustrated by the small research grants, special grants programs with more modest expectations in terms of project size, duration, and research output (Vincent 2008).

This strategy has been very much in evidence in recent years with the program's expansion into Myanmar; we discuss this in more detail below in section 4.

One puzzle in the historical record of achievement is Indonesia's persistently low share in EEPSEA activities, and especially in total research grants. In each funding cycle, that country's share in total awards is similar to those of Thailand and Cambodia, countries that are far smaller by population, economic size, or almost any other relevant measure. Indonesia's low share in EEPSEA research awards might reflect greater availability and absorptive capacity for research funds from other sources, but there is no particular reason to believe this is the case. One senior interviewee identified low research quality (including capacity, for example to write research proposals) as a constraint in Indonesia. But this response begs the question why EEPSEA's training programs, so successful elsewhere, have apparently had less impact in that country. Another reason offered is that the opportunity cost of devoting time to environmental issues is high for better-trained Indonesian economists, since their services are always in demand in more lucrative fields like finance. Unless or until the relative demand for environmental economics research and policy advice increases to restore equity, this will be a difficult challenge to overcome without throwing very large sums at individual researchers.

#### Evaluative comments

EEPSEA has existed for 25 years and in 2016, has a budget of roughly \$US2m/year. Most of this budget has been spent on training or making research resources available to young researchers in environmental economics, on bringing them together in a variety of forums to exchange ideas, and on supporting dissemination through a variety of publications. This sequence of investments has created a very significant and durable asset: the accumulated stock of knowledge embodied in regional environmental economists, and the network relationships that connect them to each other and to the global community of their peers.

If we suppose that EEPSEA has been funded at \$US2m/year over its entire lifetime, then total spending has been approximately \$70m in 2016 dollars. Was this a good investment? When the program began, environmental economics as a field was miniscule in SE Asia. EEPSEA has made hundreds of research grants, provided specialized training to over 1,000 participants, and has created dozens of venues for face-to-face interactions among researchers, technical experts and policymakers. It has by these means built a substantial stock of human capital, technical expertise and policy advising capacity in a region where very little existed before. Though these efforts are admittedly impossible to quantify, it can quite easily be argued that they have already repaid the donors' investment many times over.

To see this, consider just one important regional issue, that of fossil fuel subsidies. These are government expenditures which lower domestic fossil fuel prices relative to a world market



benchmark, with the idea that cheaper energy will promote economic growth. The growth benefits of such subsidies are contested. However, the International Energy Agency estimated the *annual cost* of subsidies in 2013, inclusive of fiscal burden and environmental damages, at \$1.5bn in the Philippines, \$4.1bn in Vietnam, \$7.2bn in Malaysia, \$10.3bn in Thailand, and a staggering \$21.3bn (or 2.5% of GDP) in Indonesia. Just a 1% reduction in any one of these subsidy rates has the potential to generate \$15m-\$200m *per year* in fiscal savings and value of diminished environmental damages, depending on the country. Even if this policy change were to happen many years in the future, the present value of an investment in knowledge and policy outreach that contributed to it would comfortably exceed the cost. And this example has considered only one kind of environmental policy, whereas EEPSEA's mandate and research domain extends to many more.

#### Conclusions: long term impact

EEPSEA has been a great investment in graduate education, knowledge production and sharing, and potential for environmental policy reform in Southeast Asia. Donors that have supported it should be congratulated for their far-sightedness and trust in investing in a program in a field of endeavor that lacks precisely measurable or immediate markers of impact. There is no doubt that EEPSEA has had significant and large impacts on the field of environmental economics in Southeast Asia and on the numbers and quality of its practitioners. The likelihood of important and enduring impacts on policy and practice is harder to pin down precisely, but strong circumstantial evidence exists for accomplishment in this area as well.

What of future impacts? As with all investments, the stock of human and network capital that EEPSEA has created is likely to depreciate over time. What forces will act on this, and what are the implications of a long-term depletion of the stock? We take up these questions in section 5.

#### 4. Achievements in 2013-16

This section focuses on ToR Key Question No.1: *What progress has EEPSEA made towards achieving its goal and outcomes as outlined in the program log-frame for the current grant?*

To review progress and achievements in the current funding cycle to date, we rely on the EEPSEA log-frame's statements of expected results in terms of outputs, bridging activities and outcomes, and in particular on program-supplied data on grants made, trainings held, research papers produced, and other relevant indicators.

#### Documentable accomplishments in the current funding cycle

*Training courses.* As of March 2016, in the 2013-16 funding cycle EEPSEA had sponsored 46 training activities reaching 1,421 participants. Twenty-seven of these activities were either regional training courses or in-country training courses. There were also several conferences and in-country policy dialogues, among other activities. Two-thirds (65%) of the participants were researchers, with the remainder drawn mainly from the policy community or natural resource management community. Among all participants in training programs, 30% were

women. The percentage of women was much higher in regional and in-country training courses (38% and 47% respectively) and in regional conferences (44%).

*Research grants.* In the 2013-16 funding cycle, EEPSEA made 18 competitive dissertation research grants, 33 competitive individual research grants, 27 small research grants, and 10 cross-country research grants for a total of 88 grants in all. The numbers awarded and their distribution across types were broadly comparable with previous grant periods, with the exception that in 2013-16 many more small grants were awarded. This shift reflected the introduction during this funding cycle of grant-making to researchers in Myanmar.

Among the Southeast Asian countries, Vietnam was the largest beneficiary in terms of numbers of research grants awarded. Researchers in Vietnam were recipients of just over one quarter (27%) of research grants. Indonesia is a negative outlier by the same measure, with only 9%. Among topics, one quarter of grants went to studies of forestry and another quarter to pollution studies. One fifth of grants made were for studies of coastal/marine resources, and one-tenth for climate change research, with the remaining fifth spread over several other topics. It would be interesting to see how these proportions have evolved over time and to learn more about whether they reflect mainly demand-side or supply-side forces at work.

*Publications.* During 2013-16, EEPSEA researchers produced 165 publications of all types. This total included two books published by Springer and six published in-house. There were 101 research reports or policy briefs and 35 articles published in peer-reviewed scholarly journals.

*Impacts on participants.* Among the important “bridging” indicators are the program-induced changes in behavior and outlook among its participants. EEPSEA administers a regular tracer survey of participants in training and research. Results of previous survey rounds are reported in the various EEPSEA Annual Reports. The most recent survey to which this team has access is that administered in November 2014. The module sent to EEPSEA training participants received responses from 181 individuals. Table 1 shows their responses to questions about impacts.

**Table 1: Tracer survey responses from EEPSEA training participants (N=180), November 2014**

Question	Yes (%)*
Did you develop a research proposal as a result of the training?	57
Did you develop any new courses related to environmental economics after the training?	29
Did the training help you establish a new or enlarged/improved degree program in your university/institution?	46
Did you teach any environmental economics or related courses after the training?	64
Did you act as resource person in any training session using EEPSEA training materials?	21
Did your working relationship/ communication/ interaction with non-economic disciplines improve as a result of the training?	58
Has the training contributed to your professional development and career advancement?	86

\*Percent of applicable responses.

Data source: Excel file “TRAINING IMPACT (Responses)\_2014, 2015 tracer surveys.xlsx”

As these responses show, participants who responded to the survey exhibit strong evidence of impacts in their own work and on their home institutions. EEPSEA trainees return to their homes better equipped to teach, collaborate, and undertake research as a result of the training. Those responding to the survey also affirm professional and career benefits by an overwhelming margin.

Another module in the same survey round was administered to recipients of research grants and received 26 responses. These are summarized in Table 2. Once again, those responding are strongly positive in their evaluations of impacts on their own research and professional/career advancement and on their home institutions. The rate at which respondents claim external impacts of their research on policy and/or regulation is lower, as should be expected, but at about 1/3 of respondents is still significant. Spillover in terms of invitations to initiate new research with non-EEPSEA funds is lower still, at just more than ¼ of respondents. Whether this rate is high or low is unclear to us. It could be due to paucity of other funding agencies and opportunities, or to many other factors, and moreover this rate, like other impacts, is likely to evolve quite slowly over time.

**Table 2: Tracer survey responses from EEPSEA research awardees (N=26), November 2014**

Question	Yes (%)
Did you present the results of your EEPSEA research project/s at a conference/s and/or policy forum/s?	62
Has your EEPSEA research/es been cited by the media or other agencies?	23
Did you share your EEPSEA research results with the communities you worked with?	73
Has the well-being of your EEPSEA research's intended beneficiaries and other stakeholder groups been affected by your research?	46
Was your EEPSEA research/es used to formulate or support environmental regulation?	35
Did your EEPSEA research/es help shape or support a national policy agenda?	31
Have you been invited by other funding agencies to develop a project based on your EEPSEA research project/s?	27
Has your EEPSEA research project/s benefited the institution/s you work for?	81
Has your EEPSEA research project/s improved your interaction/networking/partnerships at the local/national/regional/international levels?	96
Has your EEPSEA research project/s contributed to your career/professional advancement?	88

Source: Excel file "RESEARCH IMPACT (Responses)\_2014,2015 tracer surveys.xlsx"

### Achievements in comparative context

It's hard to evaluate the performance of any social science research, training and policy advisory project on numbers alone. Outputs are often intangible, and the impacts of research findings or policy advice may be felt indirectly and at some remove over space and time, with incomplete or no attribution. At the same time, other projects or programs may also be influential, rendering it virtually impossible to disentangle individual contributions to impacts.

EEPSEA is a unique organization so there is no closely comparable program. Nevertheless (and with all suitable caveats) it is helpful to line up some EEPSEA measures against those for broadly similar entities. We considered several candidates. Fondazione Eni Enrico Mattei (FEEM) is an international think-tank founded at around the same time (1990), originally with broadly similar goals and activities. FEEM, however, has a far larger budget and is supported by income from a substantial endowment; moreover its scope has expended in recent years far beyond resource and environmental economics. The World Resources Institute (WRI), also about the same vintage as EEPSEA, is has similar goals but is a global organization with a large foundational support base. Both FEEM and WRI are insufficiently similar to make meaningful comparisons. Resources for the Future (RFF), a US-based environmental economics and policy think-tank, is closer in size and spirit. RFF is a much larger organization in terms of budget and staffing. Table 3 compares the most recent available reporting *year* for RFF against the most recent *funding period* for EEPSEA. The numbers are surprisingly similar. EEPSEA's spending is lower, even over a multi-year period, but on the other hand its cost per project is also lower given that implementation takes place in countries where salaries and other costs are much lower than in the US. EEPSEA's numbers on attendance at program events compare very favorably, as does the number of publications produced over the comparison period. Most striking of all is the difference in numbers of staff employed.

**Table 3: EEPSEA and RFF: a quick and superficial comparison**

	Period	Spending	F/T staff	Projects	Events	Attendance at events	Reports and publications
RFF	2014	~\$US10m	68	142	24	1,350	54
EEPSEA	2013-16	~\$US6m	3	88		1,421	165

Sources: [http://www.rff.org/files/sharepoint/About\\_RFF/Documents/RFF\\_2014\\_AR\\_Final.pdf](http://www.rff.org/files/sharepoint/About_RFF/Documents/RFF_2014_AR_Final.pdf); EEPSEA Research & Training Grants and Publications, 1993-2016 (electronic document).

*Headline accomplishments.* In 2013-16 EEPSEA made a big push to involve environmental researchers in Myanmar. As that country reopens to international interactions, both the need and the opportunity increase for science-based analysis and policy advising with respect to natural resources. The approach to this new partnership has been cautious but strategic, and to date has been an exemplary illustration of the strength and depth of EEPSEA's training resources and network links. The program's central administration has been able to incorporate its Burmese participants into larger events (like the Bangkok conference in February 2016) to

the benefit of all. This is possible because of the accumulation of experience and expertise, but also because EEPSEA covers the fixed organizational costs of such a large meeting, making it possible to integrate new entrants without designing an event entirely around them.

The program's expansion to Myanmar is a substantive "bridging" accomplishment for which EEPSEA's management and senior participants deserve considerable credit. There is every reason to expect that in time, Burmese environmental economists will grow in number, in ability and influence within their educational institutions and the national policy sphere. This will happen, however, in a different institutional setting than was the case for prior expansions, for example to Cambodia and Laos. Whether the momentum and capacity exists to nourish the Myanmar initiative will depend on the success of the new, decentralized EEP model. This is the subject of the next section.

## 5. Transition to a new model

This section focuses mainly on ToR Objective No. 5: *To comment on the proposed transition plan of EEPSEA*, and Key Question No. 2: *What are the key success and limiting factors for the transition plan of EEPSEA, with emphasis on strategies for establishing connections with the research community, policymakers, donors and other potential sources of funding?*

As this review is conducted, EEPSEA is in the process of transitioning from the organizational structure that it has maintained since 1993 to a new, decentralized structure. In this section we evaluate the costs, benefits and risks in this transition.

### Sources and methods

Our primary sources in this section are conversations with the EEPSEA leadership and resource persons; group presentations and discussions during the 2016 Bangkok impact conference; and the EEPSEA Annual Reports for 2014-2015 and 2015-2016.

### The planned transition: from hub-and-spoke to a decentralized network

Beginning in 2016, EEPSEA will transition from a hub-and-spoke structure with the director and secretariat at the center to a decentralized network of environmental economics organizations (the exact name to be used in each country varies slightly in accordance with local usages). These will be located in Indonesia, Malaysia, the Philippines, Cambodia, and Vietnam. Another EE institute centered in Thailand will also cover the lower Mekong basin and is named as such. These institutes will belong to an alliance to be known as the *Economy and Environment Partnership* (EEP), to be housed at the University of Economics, Ho Chi Minh City, Vietnam.

Each EE organization, as envisaged in the EEPSEA Program of Work 2016, is "an independent unit, able to raise its own funds and manage its resources in accordance with the agreed principles of all members, and governed by its own advisory committee made up of members representing the government, academe, and some nongovernmental or international organizations. They are, however, connected through an informal structure of networking, and they are committed to work together under the EEP umbrella."

As successors to EEPSEA, the EE organizations are expected to continue the EEPSEA core

mandate combining research with training and policy work on environmental economics. There will, however, be some important differences, as notes in the 2016 Program of Work:

1. The EE organizations will adopt a more interdisciplinary approach, both in training and in research;
2. They are expected to access national government funds for research and training (something that EEPSEA, as an internationally funded entity, was largely unable to do);
3. They will seek large-scale project funding, presumably in contrast to the single-researcher model that has been typical in EEPSEA; and
4. They may seek consultancy contracts in addition to their research and training mandates.

EEPSEA, in its final months, is assisting in the transition to the new structure by mapping the needs and priorities of national and international donors; assisting with acquisition of skills in fund-raising and interdisciplinary collaboration; funding kickoff activities for individual EE organizations; and supporting initial meetings and workshops aimed at proposal development.

It is important to note that even at this early stage, the EE organizations are taking different forms and prioritizing different subsets of activities. These differences emerged clearly in the review team's conversations with individual groups. Some, for example, are allying themselves closely to government agencies, which they see as natural partners for funding and conduits to policy impact. Others are more focused on provision of broad training programs, possibly fee-based. Others still appear to be orienting themselves more toward consultancy services.

These differences appear reasonable as they largely reflect country-level variation in the resources available, the challenges faced, and the best (perceived) opportunities for success in the long run. However, divergent priorities and practices may well make it more difficult for the EE organizations to agree on strategies and the allocation of common-pool resources for a common purpose, as envisaged in the EEPSEA succession plan.

Interestingly, some of the EE organizations see themselves moving away from their disciplinary core (environmental economics) toward an approach that has been described as "transdisciplinary." Such a shift in methodological approach could have substantial implications for the cohesion of the EE network.

Based on our interviews with the EE representatives, we are left with three questions. Answering these should be part of the strategic thinking that goes into the ongoing project of creating a decentralized EE network.

#### *What are the likely/desirable mandates and structures for the EEs?*

Is the proposed broadening of the disciplinary mandate a desirable direction? EEPSEA has built a strong reputation as an entity in which disciplinary rigor is given high priority. That's not to say that a single-discipline approach to training or research is the best in all cases – certainly, donors and funding agencies increasingly call for greater disciplinary breadth when issuing calls for research proposals. On the other hand, there is substantial downside risk in the expansion to a "transdisciplinary" approach, notably in that when perspectives compete, rigor is often a casualty. The transdisciplinary approach has intrinsic merits, and may be necessary at least to

some extent as a response to donor priorities. The challenge for the new organizations will be to embrace this without loss of the rigor that leads from a research report to a peer-reviewed article in a good field journal, and/or to the design or reform of policy.

*What functions does EEPSEA provide that will be lost or fundamentally altered?*

The biggest challenges facing the EE organizations in the future will be funding, the opportunity to obtain advice and training from international resource persons, and the chance to interface with researchers from other countries. These three items were mentioned repeatedly and consistently in our conversations with representatives of the EE organizations.

In this review team's view, the greatest threat from the loss of functions now provided by the central secretariat will be faced by the newest (and by most measures, least robust) participants in EEPSEA activities, especially the newly-formed Myanmar research group. For this reason there is a real risk that EEPSEA's substantial, and well-planned and executed recent investments in building capacity in Myanmar will yield little in the absence of some form of ongoing support. This is not to say that EEPSEA is the only possible source of support in training, organization and capacity-building: bilateral aid programs may well step into the gap. If so, then bilateral donors should be strongly encouraged to take advantage of existing EEPSEA-centered networks and resources, since replacing or rebuilding these will be far more expensive than bringing them in to some new funding format.

*What/who might replace the EEPSEA secretariat in supplying public goods to the regional environmental economics community?*

A very big question for the new EE Partnership is how (or whether) it will be able to replicate regional functions previously funded and coordinated by the secretariat. The biggest of these, of course, is the securing and management of funds from extra-regional donors. Other key centralized functions include organizing regional trainings and conferences, coordinating reviews of research proposals and documents, a publications program, and some cross-country research projects. In addition, the secretariat had the resources and capability to initiate EEPSEA programming in countries not previously in the project—such as Myanmar in 2014-16. Very clearly, these kinds of activity involve substantial fixed costs. In the case of conferences and training programs, for example, fixed costs include bringing in external speakers and resource persons, event organization, budgeting, accounting and more.

These events and fora, both face-to-face and virtual, are central to the EEPSEA mission. By bringing researchers from different countries (and, for that matter, different institutions within countries) together, they promote the spread of knowledge and ideas relevant to the environmental economics profession and the policy community to which it speaks, and in doing so they create the potential for each individual participant in the network to become more productive as a researcher and more effective at disseminating the results of research to the scholarly and policy communities.

Moreover the benefits from interaction are evident not only contemporaneously but also across "generations" of EEPSEA participants. The program's most senior members have a great

deal of knowledge and insight to convey to younger or new participants. The transmission of accumulated knowledge in this way is especially evident in the interactions of more established country programs with newer ones, such as in Cambodia and Myanmar.

In short, the existence of a central secretariat has allowed for the generation of a wide range of positive externalities across countries and across cohorts of researchers. These externalities are part of what makes the program so cost-effective. It is not clear how many of the activities that generate these externalities will persist, or at what scale or frequency, in the new structure.

#### Evaluative comments

While the EEI network model has promise for coordination of within-country environmental economics activities, it is our view that the decentralized structure will struggle to replace core benefits at regional scale that have been vital to the overall EEPSEA mission. Current senior members of EEIs are comfortable collaborating and exchanging ideas with colleagues from other country groups, but they do so largely within the framework of regional conferences, training and other activities. It isn't clear how the strength of existing links will persist as centralized funding recedes, and as senior participants are replaced by newer entrants with less experience of cross-country interactions.

Could the core regional function of the EEPSEA secretariat be replaced by partnerships with other regional organizations? The building of such partnerships was urged on the program in the last external review (Cruz and Tran, 2012). That review identified three regional organizations: SEARCA, ASEAN, and the Mekong River Commission (MRC). Among these, only SEARCA has the appropriate regional coverage and scholarly focus. SEARCA's mandate is focused on sustainable agriculture and rural development, a subject area which has some overlap with that of EEPSEA. SEARCA, which is a collaborative project of the Southeast Asian Ministers of Education (SEAMEO), has (on paper, at least) a rich network of regional and global partners, including donor agencies, regional and global NGOs, governments and universities.<sup>2</sup>

Another candidate organization to sponsor or support the EEP's common activities is the East Asian Association of Environment and Resource Economists (EAAERE). EAAERE was founded in 2009 and its website describes it as:

... an academic organization dedicated to encouraging the exchange of ideas, research and other professional activities that are of an interdisciplinary nature relating to the economics and management of the environment and natural resources in Asia, particularly in East Asia. EAAERE aims at developing a platform for scholars and economists to exchange ideas and stimulate research, as well as offering opportunities for its members to present the findings of their studies in workshops and conferences.<sup>3</sup>

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<sup>2</sup> <http://searca.org/index.php/networks-and-linkages/partners-and-collaborators>, accessed 4 May 2016.

<sup>3</sup> [http://www.eaaere.org/about\\_us.php?module=detailabout](http://www.eaaere.org/about_us.php?module=detailabout), accessed 20 February 2016.



This mission statement is very close to that of EEPSEA as set out on its webpage,<sup>4</sup> though with three major differences: EEPSEA is a grant-making agency; its mandate includes training and the development of environmental economics teaching resources; and its geographical scope is restricted to a subset of countries represented in EAAERE.

Interestingly, in structured discussions over the future of EEPSEA's activities at the program's 2014 Annual Conference, a group of senior researchers and alumni supported the idea of the program "evolving into a society with membership fee. Such a society can also offer training courses for a fee and can bid for international and national projects."<sup>5</sup> In the past, EEPSEA has provided financial and other forms of support indirectly to EAAERE, for example by providing its researchers with grants to attend the Association's conferences. In a post-EEPSEA world it might be feasible for EAAERE to serve as the vehicle to facilitate collaboration and coordination among researchers in the EE Partnership. Whether the EEP, with or without the support of EAAERE, could also take on training and the development of teaching resources, is a question that merits closer consideration.

Another practical advantage of a closer association of the EEP with EAAERE is access to global networks of environmental and resource economists. EEPSEA's resource persons and many (if not most) of its senior researchers and alumni are all also members of EAAERE and/or its counterparts on other continents, the North American AERE, the European EAERE and the Australia-New Zealand AARES. These network connections are a very natural means for EEs and their members to build and maintain research collaborations, participate in professional conferences, and stay abreast of methodological and other developments in their field.

As a means to take advantage of EAAERE whilst maintaining a distinct identity, EEP might consider the model of the Allied Social Sciences Associations (ASSA) annual meetings in North America. These meetings are dominated by sessions organized by the American Economics Association, but the program also contains distinct sessions and events by other associations, including (for example) the Association of Environmental and Resource Economists and the American Agricultural Economics Association. So there is potential for EEP to "piggyback" on meetings organized by EAAERE without risking loss of identity or the unique intra-EEP networking and informational exchange that has been an EEPSEA hallmark.

There is, therefore, potential for EEP to partner with one or more regional organizations as a means to replace some of the services now provided by EEPSEA's management entity. It is not obvious, however, that there is a regional partnership capable of replacing *all* the existing functions of the EEPSEA secretariat, from securing core funding, to coordination of research and training activities, to initiating new activities. Therefore it seems likely that some of the synergistic activities of EEPSEA will be lost, or at least severely diminished in scope and/or frequency, in the new structure. This will inevitably have costs for the larger project of building and maintaining a regional cadre of environmental economists who are both capable of

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<sup>4</sup>"What we do", <http://www.eepsea.org/o-content/view-article/id-296/Itemid-425/>, accessed 20 February 2016.

<sup>5</sup> EEPSEA: *Annual Report, April 2014 to March 2105*, p.26. <http://www.eepsea.org/o-content/view-article/id-326/catid-61/Itemid-182/>, accessed 20 February 2016.

producing top-quality research and policy advice, and of using their knowledge and experience to train the next generation within their own national borders, or to expand at the extensive margin, as is currently occurring in Myanmar.

#### Recommendations: managing the transition to a new model

R1. The EE Partnership and its constituent EE organizations should consider taking more concrete steps to preserve the benefits from cross-country coordination on training, research and exchange of ideas and policy advice. These steps might include a strategic alliance or alliances with existing regional organizations such as SEARCA or EAAERE.

## 6. Donor synergies and support in the new model

This section focuses mainly on ToR Objective No. 4: *To provide recommendations on how EEPSEA can further strengthen the effectiveness and efficiency of the types of activities supported by the IDRC/SIDA, and Key Question No. 3: What is the role that donors can play in supporting the capacity building program for environmental economics research as envisioned by the EEPSEA network members?*

#### Sources and methods

Our sources in this section are conversations with the EEPSEA leadership, resource persons and EE organizations during the 2016 Bangkok impact conference; and phone/skype interviews with representatives of SIDA and IDRC, conducted during the week of 6-10 June 2016.

#### EEPSEA synergies with IDRC/SIDA activities in Southeast Asia

EEPSEA's main funding agencies, SIDA and IDRC, have both indicated for some time their intention to end support for the program.

At a global scale, the government of Canada has very recently reasserted its environmental leadership role, promising to "work with international partners to lead the transformation towards a low-carbon, climate resilient global economy."<sup>6</sup> Among other issues, it has emphasized concerns about the propensity for economic growth to be associated with a rising gap between rich and poor. IDRC's global priority themes for 2015-20 include food security, climate change, global health, and science/innovation.

ASEAN-Canada economic links are strong and growing, and include significant Canadian exports of educational services and Canadian demand for SE Asian-based tourism services, among other strands.<sup>7</sup> In 2013-14, Canada provided more than \$CA320m in development assistance to ASEAN nations. IDRC's Asian regional office identifies environmental degradation as a key

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<sup>6</sup><http://www.ec.gc.ca/cc/>, accessed 28 April, 2016.

<sup>7</sup><http://www.international.gc.ca/asean/relations.aspx?lang=eng>, accessed 28 April, 2016.

challenge for Southeast Asia, and notes that regional governments “are responding by seeking innovative policies rooted in research.”<sup>8</sup>

IDRC’s bilateral activities have contracted in recent years as several Southeast Asian countries have been deemed to have “graduated” from some categories of assistance. Bilateral focus appears to be shifting toward Myanmar and away from emerging regional economies such as Vietnam, which are seen as having achieved considerable development success.

The Swedish International Development Cooperation Agency (SIDA), another major EEPSEA sponsor, identifies its priority research strategy as advancing capacity-building, production of new knowledge, and encouragement of innovation. SIDA’s ODA emphasizes the thematic areas of environment/climate; natural resources and sustainability; human rights, gender, and democratization.

Like IDRC, SIDA has also terminated bilateral development assistance to several Southeast Asian countries, including Vietnam, Indonesia and Lao PDR. However, some bilateral engagement continues, notably with Myanmar and Cambodia. The agency identifies regional coordination as a means to solve regional problems: “SIDA works with regional initiatives in Asia to solve problems common to many countries, or because there is a need to co-ordinate efforts in different countries.” Finally, SIDA prioritizes resource and environmental problems, including the effects of climate change, in its Asia development assistance portfolio. Echoing similar statements by IDRC, SIDA’s Asia region website notes that “The rapid economic growth that is taking place in Southeast Asia leads to widening gaps between rich and poor. There is also a major risk that the poor people’s situation could be worsened by the effects of climate change.”<sup>9</sup>

It is this review team’s view that research, training and policy outreach of the type pioneered by EEPSEA in the Southeast Asian region contributes directly to the strategic goals articulated by both IDRC and SIDA. There is likely to be potential for considerably greater impact to be achieved through a more determined integration of EEPSEA-type activities into the broader program of development assistance where research and capacity-building are concerned.

This could most obviously be achieved by taking deliberate steps to integrate EEPSEA-trained experts into the design and assessment of regional environment and development projects. Such a move would strengthen the EEP and also improve the design and implementation of development assistance projects. In the past, EEPSEA research and publicity has perhaps downplayed some of the important links from environmental health to economic welfare, and especially the welfare of the poor, at both national and regional scales. The poor are least able to protect themselves from pollution and the effects of environmental degradation. Their incomes are disproportionately dependent on the abundance and quality of natural resource endowments that support agriculture, fisheries and forest-based industries. They are especially vulnerable to policies that promote, tolerate or abet pollution and resource depletion.

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<sup>8</sup><http://www.idrc.ca/EN/Regions/Asia/Pages/default.aspx>, accessed 28 April, 2016.

<sup>9</sup><http://www.sida.se/English/where-we-work/Asia/Regional-cooperation-in-Asia/>, accessed 28 April, 2016.

Therefore, there exists a demonstrably strong (yet still underappreciated) link from environmental economics research to the domain of possible solutions to the problem of rising inequality—a concern flagged by both IDRC and SIDA— and to food security, human rights and democratization, all strategic themes for SIDA.

Moreover, documented international spillovers of knowledge and capacity within the EEPSEA network have direct implications for Southeast Asia’s poorest countries. There is very high potential value to the poorest countries in the region from coordinated regional efforts to build human capital, analytical capacity and empirical knowledge. For twenty-five years, EEPSEA has embodied this principle both by design and in practice.

#### What role can donors play in the “new” EEPSEA?

A more difficult question is what donors can and should do to support the new EEP model. As noted above, Canada’s new government has clearly signaled a change in strategy vis-à-vis international development and development assistance.<sup>10</sup> The new direction appears to include a significant (re)commitment to engagement with Asia, focused on deepening commercial and investment ties, but in the realm of development assistance, with emphasis on demonstrating leadership in areas where Canada has demonstrated strengths. Finally, there is clear momentum in favor of linking development efforts to broader targets concerning climate change, water and food security, and human and environmental health and resilience. These goals seem also to be adhered to by SIDA.

In the view of this review team, both the EE organizations and EEPSEA’s donor agencies should regard EEPSEA and its network of affiliated researchers less as the beneficiaries of development assistance than as *active partners in the project to achieve lasting, equitable and sustainable economic development in Southeast Asia*. This perspective implies continuing engagement, encouragement and support.

#### Recommendations: donor synergies and support

R2. The nature of EEPSEA’s work continues to be of first-order relevance to the goals of its current funding agencies. The Environmental Economics Partnership (EEP) and its constituent country groups should pay careful attention to synergistic opportunities vis-à-vis the goals of overseas development agencies. These include contributions on environmental economics and policy but also extend further, for example to drawing causal connections from climate change, environmental degradation and natural resource depletion to the well-documented regional phenomenon of rising inequality.

R3. The donor agencies, for their part, should carefully consider the broader implications of their decision to terminate major funding support for EEPSEA in light of the program’s recent

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<sup>10</sup> This paragraph draws upon J. Venkatesh, 2016: “Ottawa Forum 2016: implications for international development.” Canadian International Development Platform ([http://cidpnsi.ca/canada2020-ottawa-forum-2016-implications-for-international-development/?utm\\_source=Newsletter+March+2016&utm\\_campaign=CIDP+Newsletter+March+2016&utm\\_medium=email](http://cidpnsi.ca/canada2020-ottawa-forum-2016-implications-for-international-development/?utm_source=Newsletter+March+2016&utm_campaign=CIDP+Newsletter+March+2016&utm_medium=email)), accessed 25 April 2016.

trajectory. There is a real risk that much that has been built over the past 25 years may be lost as capacity to create positive externalities within the EEPSEA network erodes. In light of their own national objectives on regional development and the global environment, these externalities are of particular value to the donor countries. SIDA and/or IDRC might therefore consider a longer, more deliberate phase-out period with emphasis on milestones of sustainability for national EE organizations, and institutional mechanisms for preserving inter-country spillovers of knowledge and capacity. To maintain momentum in research, training, network-building and the nurturing of more junior country partners during the transition to a new structure, we recommend a more modest ongoing 2-4 year funding tranche.

## Appendix A: Review terms of reference

### Objectives

1. To assess EEPSEA Program's capacity strengthening effectiveness in building research, policy and teaching capacity related to environmental economics in Southeast Asia;
2. Assess scientific quality of research projects and the open call process
3. Assess to what extent gender equality perspective have been integrated into the open call process and research projects.
4. To provide recommendations on how EEPSEA can further strengthen the effectiveness and efficiency of the types of activities supported by the IDRC/SIDA;
5. To comment on the proposed transition plan of EEPSEA.

### Key questions

1. What progress has EEPSEA made towards achieving its goal and outcomes as outlined in the program log-frame for the current grant?
2. What are the key success and limiting factors for the transition plan of EEPSEA, with emphasis on strategies for establishing connections with the research community, policymakers, donors and other potential sources of funding.
3. What is the role that donors can play in supporting the capacity building program for environmental economics research as envisioned by the EEPSEA network members?

## Appendix B: Sources consulted

### Documents

The majority of documents consulted in preparation of this report are cited either in the text or in footnotes.

### Surveys

The review team relied on tracer surveys of individual researchers and trainees are provided by the program. The program made the source data for these surveys available.

### Interviews

While attending the EEPSEA meeting in Bangkok, the review team met with numerous individuals, including program management, foreign resource persons, and groups taking the lead in formation of country-level EE organizations.

### Conversations with SIDA and IDRC program officers

One conversation each, of 30-40 minutes' duration, was held with the representatives of IDRC and SIDA during the week of 6-10 June, 2016.