



UNDP/GEF PROJECT ENTITLED “REDUCING ENVIRONMENTAL STRESS IN THE YELLOW SEA LARGE MARINE ECOSYSTEM”

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Third Meeting of the Project Steering Committee for the UNDP/GEF Yellow Sea Project *Jeju Island, Republic of Korea, 23-24 November 2006*

Provisional Guideline on NGO and Private Sector's Membership in PSC

1. Background

During the Project preparation (PDF-B phase), the participating countries and other project partners discussed the composition of the Project Steering Committee (PSC) and agreed to invite representatives from NGOs and private sectors to the PSC as members.

Then, this issue was discussed at both the First Regional Technical Meeting (Beijing, China, 14-16 December 2004) and the Second PSC Meeting (Kunming, China, 19-20 December 2005).

During the Second PSC Meeting, the major benefits of NGO and Private Sector's Participation to the Project were stated as follows.

- *The decision-making process would be more transparent*
- *Generating more political support from participation*
- *Enhancing ownership of the project outcomes and outputs, in particular the Strategic Action Programme (SAP)*
- *Generate more financial and human resources for the project*
- *Assist in preparation and approval processes for SAP*

(Meeting Document UNDP/GEF/YS/PSC.2/4)

Having recognised those benefits, the PSC requested the Project Management Office (PMO) to study about the membership of these important stakeholders in the decision-making process of the Project. Specifically, the Meeting requested the PMO:

“to further investigate similar projects on this issue[,] . . . to produce guidelines on how to involve NGOs and private sectors in the PSC, and to devise the criteria for selecting the representatives of these stakeholders” (Report of the Second Meeting of the Project Steering Committee).

The Meeting then instructed the PMO to “report back to the next PSC meeting” (ibid).

With the above agreement given, the PMO investigated the situation in other projects, and prepared this document to provide the current situation of NGO and private sector's

membership in similar projects funded by Global Environmental Facility (GEF). These projects address either the international water issues with transboundary environmental problems or the marine environmental conservation issues in the region, which the Yellow Sea Project deals with. The document also provides the potential rights and duties of NGO and private sector members as well as the potential procedure of granting the PSC memberships to NGOs and private entities.

The Third Meeting of Regional Working Group for the Investment Component (RWG-I) discussed the issue and noted that:

- GEF requires its funded projects include all stakeholders, including NGOs and private entities, in implementing project activities;
- The importance of NGOs and private sectors as stakeholders is increasing in the Yellow Sea areas;
- However, it might be too early to grant full PSC membership to those stakeholders.

The RWG-I then agreed to *“present the draft guideline together with the views expressed by the members of this group to PSC for further consideration” (Report of the Third Meeting of Regional Working Group for the Investment Component).*

2. NGO and private sector’s membership in similar GEF projects

The PMO conducted a simple survey in August 2006 by face-to-face interview, email, and telephone conversation to understand the participation and status of NGOs and private sectors in relevant GEF-funded projects. Six GEF projects out of nine projects that the PMO contacted replied and provided the information. Those six respondents are: Benguela LME Project, Black Sea Project, Caspian Sea Project, Danube River Project, Korea Wetland Project, and Lake Chad Project. The two major findings of the survey are summarised as follows.

(i) Most projects have NGOs and private sectors in the PSC as observers.

Most projects that replied to our survey do not have NGOs and private sectors in the PSC as full members with decision-making power. However, the following five projects invite NGOs and private sectors actively to the PSC as observers: Benguela LME Project, Black Sea Project, Caspian Sea Project, Danube River Project, and Lake Chad Project. For example:

“NGO representatives are always invited to take part in the PSC meeting as observers and sometimes make presentations on certain pertinent issues.” (Mahir Aliyev, the Lake Chad Project)

“We have always invited NGOs including representatives of the oil and gas industry to our major events as observers.” (Hamid Ghaffarzadeh, the Caspian Sea Project)

(ii) The Korea Wetland Project has NGOs and private sectors in the PSC as members.

The Korea Wetland Project that “promote[s] the collaborative approach to wetland conservation in the Republic of Korea” (Inception Report, February 2006) has the PSC members representing NGOs and private sectors. According to the Report, these representatives consist of five local NGOs (e.g., Korean Federation for Environmental Movement, one of the largest environmental NGOs in Korea) and one industry association (i.e., Korea Environmental Industry Association). The NGO/private sector members have the same decision-making power as other PSC members, including the representatives from

national and government bodies such as the Ministry of Maritime Affairs and Fisheries and the Gyeonggi Province. In other words, each NGO/private sector member has the same voting power as other members for adopting decisions that the PSC makes.

3. Proposed guidelines for granting PSC memberships to NGOs and private entities

This section describes possible guidelines for granting NGOs and private entities a PSC membership. The guidelines consist three parts: (i) definition of term, (ii) rights and duties of NGO and private sector members in PSC, and (iii) procedure of granting PSC memberships to NGOs and private entities. The materials of the Danube River Project provided useful information to compose this section (Guidelines for Participants with Consultative Status and for Observers to the ICPDR [International Commission for the Protection of the Danube River]).

A. Definition of term

- A.1 “PSC” means the Project Steering Committee of the UNDP/GEF Yellow Sea Project.
- A.2 “Member” means an international or national organisation or other body who has the right and duty to participate in the process of adopting decisions during the PSC meetings.
- A.3 “Observer” means an international or national organisation or other body who has the right and duty to express their position and views during a PSC meeting(s) and to have them reflected in the relevant documents; however an observer cannot participate in the process of adopting decisions that the PSC makes.
- A.4 “Secretariat” means the Yellow Sea Project Management Office which organises the PSC meetings, co-ordinating the members and observers of the meetings, preparing administrative arrangements for the meeting participants, and facilitating discussions to achieve the meeting objectives.
- A.5 “Admission” means the decision taken by the PSC to grant the Member status to an international or national organisation or other body who applies for participating in the PSC as a Member.
- A.6 “Letter of Admission” means the formal information on granting the Member status to the applicant for it.
- A.7 “Withdrawal” means the decision taken by the PSC to terminate the Member status of a Member representing NGOs and private sectors in the PSC.
- A.8 “Letter of Withdrawal” means the formal information on terminating the Member status to a Member representing NGOs and private sectors in the PSC.

B. Rights and duties of NGOs and private sectors in PSC as members

- B.1 To be informed, by the Secretariat, of the date, place and agenda of the PSC meetings and of the relevant activities conducted under the Yellow Sea Project.
- B.2 To express position and views during PSC meetings and to have them reflected in relevant documents.

- B.3 To participate in the process of adopting decisions during the PSC meetings.
- B.4 To participate in the programmes and/or projects initiated under the Yellow Sea Project.
- B.5 To contribute, on voluntary basis, to the budget of the Yellow Sea Project by financial and/or in-kind contributions.

C. Procedure of granting PSC memberships to NGOs and private entities

- C.1 Proposals for admission of NGOs and private entities as PSC members shall be examined by the PSC on a case-by-case basis, having in view the **ability and readiness** of the applicants to make a practical and valuable contribution to achieve the goals of the Yellow Sea Project.
- C.2 The item of granting the PSC memberships to NGOs and private entities shall be included in the agenda of the earliest possible PSC meeting.
- C.3 On behalf of the PSC, the Project Manager shall address a Letter of Admission to the Members after the PSC granted them admission.
- C.4 At any time, Member representing NGOs and private sectors may terminate their status by written notification to the Secretariat. Any such withdrawal shall take effect after the period decided by the PSC in the Letter of Withdrawal.

4. Conclusion and suggestions

According to the survey conducted by the PMO, most similar GEF-funded projects do not have NGOs and private entities in the PSC as members. However, those projects invite these important stakeholders actively to the PSC. Moreover, the Korea Wetland Project has the NGO/private sector members in its PSC with the same decision-making power as other members consisting of the PSC.

Given the fact that:

- (i) GEF-funded projects are required to include all the stakeholders, including NGOs and private sector, in project implementation;
- (ii) Participating countries of the Yellow Sea Project as well as other project partners agreed already during the PDF-B phase to grant PSC memberships to NGOs and private sectors; and
- (iii) the active participation of the NGOs and private sectors in the PSC will provide tremendous benefits for the Project implementation, as mentioned above;

PSC will be invited to suggest recommendations on whether it should grant the membership to NGOs and private entities, considering both the decisions made during the PDF-B phase and the benefits of those important stakeholders' participation.