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

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**Fifth Meeting of the Regional Working Group  
for the Investment Component**  
*Shanghai, China, 14 - 16 October 2008*

**SCIENTIFIC AND TECHNICAL INPUTS FOR THE 2<sup>ND</sup> PHASE PROJECT DOCUMENT**

As the project is now in its final phase with the drafting process of the Strategic Action Programme (SAP) complete and awaiting final approval by the governments, planning for the implementation of the SAP needs to start. In order to attain GEF funding, PMO is developing the 2<sup>nd</sup> Phase Project Document and the initial PIF (Project Identification Form) document. For a successful proposal, PMO needs to identify the activities needed to implement each management action and the associated costs and sources of co-financing. To achieve this, members of the 5<sup>th</sup> RWG-Investment meeting will:

1. Review and familiarise themselves with the SAP Governance Actions ([Annex I](#)).
2. Identify activities required under each governance action ([Annex II](#)).
3. Suggest inputs for 2<sup>nd</sup> Phase Project Documents.

*Members should review the SAP governance actions and suggest activities that are required to implement each action both by the countries and PMO.*



## Annex I

### SAP Governance Actions

#### 7. Institutional & Legislative Actions and Financial Mechanism for Implementation of SAP

##### 7.1 Governance

###### 7.1.1 Institutional actions: creation of the YSLME Commission

It is desirable to establish the YSLME Commission as an institutional vehicle to continue and expand current efforts through the YSLME Project. The YSLME Commission will contribute not only to better co-ordination of national efforts but also to enhancing effectiveness of regional efforts.

###### Nature of the YSLME Commission

The YSLME Commission is to be a soft, non-legally binding and co-operation based institution. Considering complex geopolitical situation in the Yellow Sea region, it is not appropriate to have a legally binding treaty-based institution though it could be sought in the future. However, sufficient political wills among participating governments should be secured in the form of a joint declaration or an MOU <sup>[55]</sup>.

###### Institutional framework

- YSLME Commission Steering Committee (YSLME CSC): YSLME Commission Steering Committee will serve as a supreme decision making body. YSLME CSC will include representatives of each participating government and the Secretariat.
- Secretariat: The establishment of a permanent secretariat will provide secretariat functions to the YSLME CSC. The secretariat should be small but secure appropriate expertise to address policy and research interests of the YSLME CSC.
- Sub-Commissions: Several Sub-Commissions will be created and responsible for technical issues in its own. Sub-Commissions will be mainly composed of experts.

###### Ensuring DPRK's full participation

DPRK's full participation is important in terms of geographical completeness and effectiveness of the work of the YSLME Commission. More efforts need to be made to ensure DPRK's full participation in the YSLME Commission.

###### 7.1.2 Actions to improve effectiveness of legal instruments

###### Improving the implementation of international & regional treaties and guidelines

In order to improve the strictness, scope of coverage and enforcement of the legal instruments, actions need to be made including, but not limited to followings:

- Ensuring full ratification of the treaties;
- Strengthening co-ordination between the bilateral Fisheries Agreement between China and ROK in the YSLME Commission Context;

- Developing regional guidelines in order to incorporate suggested guidelines of the FAO Code of Conduct for Responsible Fisheries into the YSLME Commission's Context; and
- Developing guidelines on matters not covered in detail by the United Nations Convention on the Law of the Sea, Convention on Biologic Diversity and Ramsar Convention.

### **Developing guidelines for periodic review of the implementation of treaties by each of the participating countries**

#### **Exchange of information on relevant domestic legislation**

#### **Developing projects to harmonise domestic legislation according to the regional standards and guidelines to be developed through YSLME Commission**

### **7.1.3 Stakeholders' wide participation**

#### **Strengthening partnerships with existing regional co-operative institutions**

In order to enhance overall effectiveness, strengthening partnership with existing regional co-operative institutions, strengthening partnership with these regional institutions is necessary including, but not limited to the followings:

- Strengthening co-ordination with bilateral co-operation mechanisms such as the Joint Committee on Environmental Co-operation, the Joint Fisheries Commission, China-Korea Joint Ocean Research Center, between the coastal countries
- Strengthening partnership with other regional co-operative mechanisms, especially with NOWPAP
- Further strengthening current Yellow Sea Partnership among related stakeholders
- Developing strong partnerships with relevant regional and international institutions to address the oil spill problems

#### **Private sector's involvement**

As private sector is an important stakeholder in the environmental and sustainable development in the Yellow Sea region, it is necessary to ensure private sector's involvement in the YSLME Commission process. Relevant private sectors include the related industries and research and education institutions.

#### **Capacity building for NGOs and Local Governments**

Capacity building for NGOs and local governments is important to help these stakeholders engaging in regional governance in the Yellow Sea region in constructive ways. Capacity building for NGOs and local governments include, but not limited to the followings:

- Increasing understanding of international/regional institutions
- Learning advanced management measures
- Developing co-operation abilities with related stakeholders in the regional governance

#### **7.1.4 Guidelines for the improvement of national governance**

Ultimate implementation of regional policies in the Yellow Sea region is made at the national level. Therefore it is important that the actions for the national governance in each participating country are appropriately taken to implement regional measures effective at the national level. Actions for the national governance in each participating country include, but not limited to the followings:

- Enactment and modification of legislation in order to fully incorporate regional guidelines and standards into the national legislation
- Improvement of the enforcement mechanism of the policy measures
- Institutional reforms to ensure effective co-ordination among the relevant governmental bodies and other stakeholders
- Wider stakeholders' participation in the national governance
- Increasing public awareness

#### **7.2 Upgrading National Capacity**

Upgrading capacities of national institutions play important role in the implementation of SAP. Based on the root cause(s) from YSLME TDA report, the weak capacities of national institutions were identified, such as the inadequate balance between development and environmental protection policy, the limited compliance assurance infrastructures, lack of co-ordination between public health sector and private sector, etc.. The actions should be taken to update the capacities of national institutions, which involve the effective management programmes, capacity-building programmes, formulation of projects eligible to be financed by international financial donors, the involvement of all identified stakeholders into the implementation of SAP, etc. The relevant actions should be detailed in the National Strategic Action Plan (NSAP).

#### **7.3 Financial Mechanism for the Implementation of YSLME SAP**

In order to establish a sustainable financial mechanism to support implementation of YSLME SAP, there is a need to identify the financial requirements; to identify relevant financial resources and establish effective financial mechanism for raising necessary funds from possible sources, managing financial resources, and reporting financial status.

- Financial requirements for implementation of SAP will be identified following the identification of actions and activities of SAP implementation.
- It is necessary to identify sources to meet the financial requirements for implementation of SAP, including GEF financial support, contribution from the governments of the participating countries, and potential donors. It should be noted that the financial commitments from the governments of the participating countries will be critical source of funding to show political willingness of the countries.
- Financial Mechanism will be established following the establishment of a YSLME Commission as implementing mechanism for the SAP. A staged arrangements will be prepared:
  - For the first 5 years (2010-2014), GEF funding will be the major financial resources

to cover the incremental costs of the project activities. In the meantime, the national co-financial resources will be used as substantive support to the project implementation.

- For the second 6 years (2015-2020), the participating countries will establish a sustained financial mechanism to cover the costs of the implementation of project activities.

Fund-raising campaign will be established within the YSLME Commission to generate financial support from private sectors and other donors. The YSLME Commission will provide overall policy on the fund raising campaign. The Head of the secretariat of the YSLME Commission has principle responsibility for identify the financial sources, and fund raising campaign. If necessary, special consideration should be given to this important element, including establish a special post within the secretariat dedicated to fund raising.

## Annex II

## Sample Activities and Budget Table for Governance

Note: This table is a sample that will be used for the Phase 2 Working Session #1 (26-28 August 2008) to fill in activities and costs. Before the 5<sup>th</sup> RWG-I Meeting, an updated table with listed activities will be circulated to members.

		Budget			
Activities	Implementation	GEF	National	Others	Total
<b>Institutional building</b>					
Establish YSLME Commission:					
Organise steering committee meetings	5 meetings x 20,000	25,000	75,000		100,000
Organise sub-commission meetings	5 sub-commissions x 5 meetings x 20,000	125,000	375,000		500,000
National co-ordination:					
IMCC & NWGs	govt's own funding				
NPC	12 months x 8,000 x 3 NPC's x 5 years	360,000	1,080,000		1,440,000
<b>Legislation</b>					
Improve the effectiveness of legal instruments:					
Develop regional guidelines for Code of Conduct Responsible Fisheries in YSLME context	2 person month x 8,000; implementation is under respective Services	4,000	12,000		16,000
Develop guidelines for matters not covered by UNCLOS, CBD, & Ramsar.	2 person months x 8,000 x 3 conventions; implementation is under respective Services	12,000	36,000		48,000
<b>Economic incentives</b>					
Integrate econ analysis into national workplan	govt's own funding				
Establish microfinance schemes	2 sectors/industries x 60,000	30,000	90,000		120,000

Introduce preferential tax system	2 sectors/alternative livelihoods, income tax exemption, govt's contribution				
Reg. co-operation & capacity building					
Promote best practices:					
Demonstration/campaign	6 sites	144,000	432,000		576,000
Publication/website	5000 x 5 yrs	6,250	18,750		25,000
Conference/workshop	2 meetings x 20,000	10,000	30,000		40,000
Encourage stakeholder participation	in conjunction with best-practice promotion				
<b>Total</b>		<b>716,250</b>	<b>2,148,750</b>	<b>0</b>	<b>2,865,000</b>