



PEMSEA Meeting Report 5

# PROCEEDINGS OF THE ELEVENTH PROGRAMME STEERING COMMITTEE MEETING

GEF/UNDP/IMO  
Regional Programme  
on Building Partnerships in  
Environmental Management  
for the Seas of East Asia (PEMSEA)  
(RAS/98/G33/A/1G/19)

**Siem Reap, Cambodia**

**1- 4 August 2005**



**GEF/UNDP/IMO Regional Programme on Building Partnerships in Environmental  
Management for the Seas of East Asia**

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STEERING COMMITTEE MEETING**

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**GEF/UNDP/IMO Regional Programme on Building Partnerships in Environmental  
Management for the Seas of East Asia**

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MEETING**

**TRIPARTITE REVIEW SESSION**

**Siem Reap, Cambodia, 01-04 August 2005**

**A. INTRODUCTION**

- i. The Eleventh Programme Steering Committee (PSC) Meeting of the GEF/UNDP/IMO Regional Programme on Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) was held at the Apsara Angkor Hotel, Siem Reap, Cambodia, from 01-04 August 2005. The Ministry of Environment of Cambodia (MoE) hosted the Meeting.
- ii. The Meeting was attended by delegates from participating countries namely, Cambodia, Indonesia, Japan, Malaysia, People's Republic of China, Philippines, Republic of Korea, Singapore, Thailand and Vietnam.
- iii. Representatives from the Lao PDR, Myanmar, and Timor-Leste also participated in the Meeting.
- iv. The Implementing Agency was represented by the United Nations Development Programme (UNDP) Manila, the UNDP-GEF New York and the UNDP-GEF UN Regional Centre in Bangkok. The International Maritime Organization (IMO), London, and the Regional Programme Office (RPO), Manila represented the Executing Agency.
- v. A full list of participants is attached as Annex 1.

**B. OPENING CEREMONY**

- i. On behalf of the PEMSEA Regional Programme Office, Dr. Chua Thia-Eng, Regional Programme Director (RPD), welcomed the participants to Siem Reap and to the meeting. Dr. Chua accorded special acknowledgment to the participants who attended the PSC for the first time, as well as the three new member countries of PEMSEA: Lao PDR, Myanmar and Timor-Leste. Special thanks were also given to the Royal Government of Cambodia and to H.E. Dr. Mok Mareth and his staff for their support in organizing the meeting. The RPD underscored the three primary purposes of the meeting:
  - a) to deliberate on the operational arrangements for the implementation of the Sustainable Development Strategy for the Seas of East Asia or SDS-SEA,

focusing on the draft Partnership Agreement and Partnership Operating Arrangements;

- b) to discuss the transformation of the current project-based operation into a programme-based arrangement, as well as the transformation of the current Regional Programme Office to a self-sustained PEMSEA Resource Facility (PRF); and
  - c) to identify the necessary strategies for transition and closure of the current activities.
- ii. Dr. Chua called on all participating countries and international organizations to build on PEMSEA's achievements and lessons learned for addressing the challenges ahead. He was optimistic that with the development of a strategic partnership arrangement between GEF, World Bank, UNDP, PEMSEA and other stakeholders, and with the continued support and heightened interest of countries to establish the necessary implementing mechanisms for SDS-SEA, the region would be able to establish a country-driven implementing arrangement. Dr. Chua reassured the participating countries of the PEMSEA secretariat's continuing support and assistance for the achievement of the SDS-SEA vision. He wished everyone a productive meeting and enjoyable stay in the country.
- iii. Dr. Andrew Hudson, Principal Technical Advisor, International Waters, UNDP-GEF, conveyed UNDP-GEF's appreciation to the Government of Cambodia and the Ministry of Environment for generously hosting the meeting. Dr. Hudson commended the collaborative efforts made by the UNDP, IMO, participating governments and other partners in the past twelve years, especially in establishing PEMSEA as a strong regional entity for the integrated and sustainable management of the Seas of East Asia, and the adoption of the SDS-SEA in 2003. Dr. Hudson reiterated that together with other international organizations, participating countries, and stakeholders, GEF will continue their commitment to provide catalytic support to the implementation of the SDS-SEA, as well as to the establishment of a Strategic Partnership for SDS-SEA implementation through UNDP, the World Bank and other international organizations. He also welcomed the progress made in drafting the Partnership Agreement and Partnership Operating Arrangements for SDS-SEA implementation, which are considered as important steps to ensure the sustainability of the project and to secure continued financial support from GEF. As a key partner of PEMSEA, Dr. Hudson also accorded special thanks to the IMO and to Mr. Jean-Claude Sainlos for their support as the executing agency in this phase of PEMSEA. Dr. Hudson highlighted UNDP and GEF's support to the implementation of the SDS-SEA. He hoped the 11<sup>th</sup> PSC would achieve the objectives set by the Meeting.
- iv. Mr. Jean-Claude Sainlos, Director, Marine Environment Division, International Maritime Organization, expressed sincere thanks to the Cambodian government for the warm hospitality and excellent arrangement of the meeting. As PEMSEA's executing agency, IMO is proud to be a key partner of the region in achieving a common platform for regional cooperation and partnership, which is embodied in the SDS-SEA. Mr. Sainlos further acknowledged the role of PEMSEA in the successful implementation of various IMO programmes particularly under the IMO's Integrated Technical Co-operation Programme. He also informed the Meeting of the results of

the 53<sup>rd</sup> Session of the Marine Environment Protection Committee (MEPC) that would make significant contributions in the furtherance of IMO's objectives of achieving a pollution-free marine environment. Mr. Sainlos expressed IMO's full commitment to enable the successful completion of the PEMSEA programme and to ensure smooth transition to the next phase. He emphasized the importance of establishing an agreement that will establish a regional mechanism for the implementation of the SDS-SEA, and recognized the efforts made thus far in laying the foundation of the mechanism. In view of the broader focus of the SDS-SEA, which is beyond the scope of IMO, IMO decided not to continue its role as an executing agency for the next phase. IMO, however, expressed its commitment to continued support and cooperation to the PEMSEA programme under appropriate partnership agreements and conveyed support to the establishment of a regional implementing mechanism for the SDS-SEA. Lastly, he wished the meeting full success.

- v. On behalf of the Royal Government of Cambodia, H.E. Dr. Mok Mareth, Senior Minister, Ministry of Environment, officially welcomed all the participants to Siem Reap. Dr. Mok shared his thoughts on the reasons behind Cambodia's decision to participate in the PEMSEA activities, as well as the benefits and lessons gained by the country from the regional project. The Minister outlined some of the major developments in the country, which were achieved through PEMSEA's assistance:
  - building of capacity, political commitment and local support in coastal and marine management of the country;
  - the setting-up of the first environmental monitoring laboratory in Sihanoukville as well as the development and implementation of a coastal strategy and action plan;
  - the enhancement of Cambodia's capacity in oil spill preparedness and response, and facilitating the country's participation in the Gulf of Thailand subregional project; and
  - the adoption of the SDS-SEA that serves as regional platform for the sustainable management of the Seas of East Asia.
- vi. With these achievements, the Minister stated that Cambodia strongly believes that PEMSEA should continue and thus expressed full support for the establishment of the necessary mechanisms for the implementation of the SDS-SEA. Dr. Mok also encouraged other member countries to play their partnering role to ensure the establishment of a functional PRF.
- vii. The full text of the Opening Ceremony speeches may be found in Annex 2.

## **1.0 ORGANIZATIONAL MATTERS**

- 1.1 Dr. Andrew Hudson assumed the position of Co-Chair. He opened the Meeting and requested nominations for Co-Chair. The delegation from Singapore nominated Cambodia as Co-Chair and the delegations from China and Vietnam seconded the nomination. Cambodia was acclaimed as Co-Chair and was represented by H.E. Mr. Khong Sam Nuon, Secretary of State, Ministry of Environment.

- 1.2 The delegation from Indonesia nominated the Philippines as Rapporteur and the delegation from RO Korea seconded the nomination. The Philippines was acclaimed as Rapporteur and was represented by Atty. Analiza Rebuelta-Teh, Assistant Secretary for Foreign Assisted and Special Projects, Department of Environment and Natural Resources (DENR).
- 1.3 Dr. Chua introduced the principal reference documents for the Meeting (Annex 3) and briefed the Meeting on general organizational matters, in particular, the break-away sessions for in-depth group discussions on specific issues pertaining to the Partnership Agreement and Partnership Operating Arrangements, as well as PEMSEA's transformation strategy.

## **2.0 ADOPTION OF AGENDA**

- 2.1 The Meeting adopted the agenda without modification as contained in Annex 4.

## **3.0 RULES OF PROCEDURE OF THE MEETING**

- 3.1 Dr. Chua informed the group that the 11<sup>th</sup> PSC Meeting would consist of a Tripartite Review Session only, and therefore the Meeting was limited to representatives of the UNDP, IMO and participating countries. Three new participating countries, namely Lao PDR, Myanmar and Timor-Leste, were invited to the Meeting in order to participate in the planning of the next phase of PEMSEA.

## **4.0 REGIONAL PROGRAMME DIRECTOR'S REPORT**

- 4.1 Dr. Chua presented the Regional Programme Director's report to the Meeting. He highlighted the major accomplishments of the Regional Programme from October 2004 to June 2005, including the constraints with regard to the implementation of the Regional Programme. The Regional Programme Director also explained actions taken in response to the recommendations of 10<sup>th</sup> PSC Meeting and the Mid-Term Evaluation, as well as preparatory activities for the next phase of PEMSEA, which would contribute to the implementation of SDS-SEA.
- 4.2 From October 2004 to June 2005, the Meeting was advised that the Regional Programme had achieved a number of milestones, including the following:
  - a) Preparation of a draft Partnership Agreement and Partnership Operating Arrangements on the implementation of SDS-SEA, in response to the recommendations of the 10<sup>th</sup> PSC;
  - b) Approval of the GEF Pipeline Entry Project Concept on Implementation of the SDS-SEA by GEF Secretariat;
  - c) The successful organization of the Workshop on Ecosystem Management of Interrelated River Basins, Estuaries and Coastal Seas;
  - d) Development of a strategic partnership concept and approach for SDS-SEA implementation;



- e) The adoption of coastal use zoning plans and the implementation plans of coastal strategies as well as the preparation for local ICM legislation, at national ICM demonstration sites;
- f) Approval of twelve new ICM parallel sites in PR China and Indonesia;
- g) The implementation of coastal strategies, (e.g. environmental monitoring, oil spill contingency plannings, legal and institutional framework) in Manila Bay and Bohai Sea, and the development of a draft Tripartite Joint Statement and a Framework Programme for Oil Spill Preparedness and Response in the Gulf of Thailand;
- h) Conduct of regional training courses on ICM and Integrated Environmental Impact Assessment, and an ICM study tour.
- i) Development and implementation of a certification scheme for ports implementing the Port Safety Health and Environmental Management System (PSHE-MS);
- j) Signing of a Bali Resolution on the Establishment of the PEMSEA Network of Local Governments for Sustainable Coastal Development (PNLG) to transform the existing regional network of local governments implementing ICM into self-sustaining local government-driven network;
- k) Adoption of the Integrated Information Management System (IIMS) as a common database platform nationwide in the Philippines;
- l) Production and dissemination of five technical reports, three issues of Tropical Coasts, 10 issues of PEMSEA e-updates and the video on Xiamen Story;
- m) Responding to the recommendations of the Mid-Term Evaluation (MTE) Report;
- n) Mobilization of financial resources for the Regional Programme, totaling US\$ 12.1 million as of June 2005; and
- o) Development of and sustaining partnerships with UNEP-GPA, COBSEA, GEF Small Grant Programme, AMETEC, PERSGA, Nippon Foundation Research Task Force, Thai Environment Institute, Bataan Coastal Care Foundation, and the Australian Network of Maritime Education and Training Association, as well as collaborating with PR China, other governments and partners in the organization of the EAS Congress 2006.

4.3 In view of the project completion by the end of 2006 and the start-up of the follow-on phase, the Meeting was informed of the need to identify a new executing agency. Dr. Chua also discussed the need to develop and implement strategies for transforming PEMSEA from a short-term, specific objective-oriented, project-based operation into a longer-term, vision-oriented, programme-based regional operation.

4.4 Dr. Chua identified various constraints with regard to the implementation of the Regional Programme, including:

- a) Delay in project outputs due to language barrier, limited technical capacity, lack of incentives, communication difficulties, and change of project staff and/or political leadership; and
- b) Interagency and inter-project coordination issues, including lack of a home-base for ocean and coastal governance, inadequate national coordinating mechanisms, and the unclear role of national focal points.

- 4.5 Dr. Chua concluded his report, stating that concerted efforts and partnerships should be directed toward the SDS-SEA implementation, emphasizing that:
- a) A solid foundation has been fully established after 12 years of PEMSEA operation, with sustainability and replicability demonstrated on-the-ground;
  - b) A draft Partnership Agreement and Partnership Operating Arrangements on the implementation of SDS-SEA have been prepared as means for realizing the objectives of the Putrajaya Declaration;
  - c) The strategic partnership approach has been developed to mobilize resources and create synergies among stakeholders; and
  - d) The PEMSEA transformation process has been initiated to ensure the long-term implementation of the SDS-SEA.
- 4.6 The Meeting acknowledged the progress being made on-the-ground at ICM sites and subregional sea areas/pollution hotspots, and that the RPO and concerned national and local governments should be congratulated for their effort. It was suggested that countries should learn from the identified constraints to project implementation and make collective efforts to move forward to ensure smooth transition to the next phase.
- 4.7 The Meeting discussed the need to provide further support to national governments, local governments and other stakeholders in replicating and scaling-up of local ICM experiences. In addition, consideration to promote wider application of the Integrated Information Management System, in order to facilitate the sharing of knowledge and experiences among different ICM sites in various countries was suggested. The Meeting also indicated the importance of applying innovative approaches to address pollution discharges at the source, e.g. cleaner production, rather than focusing on end-of-pipeline solutions.
- 4.8 Acknowledging the successful implementation of PEMSEA, Mr. Sainlos advised the Meeting that IMO had reached a conclusion that it would not continue to be the Executing Agency in the next phase of PEMSEA as the implementation of SDS-SEA is far beyond the mandate of IMO. He assured the Meeting, however, that IMO would continue to support and participate in the implementation of the component of SDS-SEA relevant to IMO's areas of responsibilities as an active partner under the new partnership arrangement of PEMSEA. Delegations welcomed and expected IMO to continue to be an active partner of PEMSEA, particularly with regard to the implementation of the relevant maritime-related action programs of the SDS-SEA.
- 4.9 Dr. Chua advised the Meeting that the RPO will continue to work with national focal points for ICM scaling-up and replication, as well as enhance the application of Integrated Information and Management System for effective knowledge management and sharing. He emphasized the critical role to be played by national focal points in collecting and verifying necessary data and information so as to make the information system useful in supporting policy-making and awareness building. He further pointed out that SDS-SEA provides a useful framework for documenting various country initiatives and efforts on coastal and ocean management, which can be compiled and synthesized in the form of a State of Coasts report. In addition, the RPO would explore potential cooperation with GEF IW-LEARN and other entities in strengthening its current efforts on knowledge management and sharing. He

concluded by emphasizing that the RPO would continue to build partnership arrangements with various relevant UN/International agencies under the framework of SDS-SEA, mobilizing a broad level of expertise and resources for the implementation of SDS-SEA.

- 4.10 The Chair concluded that the Meeting was satisfied with the Regional Programme Director's report, and congratulated the Regional Programme Director and the RPO staff for the accomplishments since the 10<sup>th</sup> PSC Meeting.

## **5.0 REPORT OF THE WORKING GROUP ON THE REGIONAL IMPLEMENTING MECHANISM FOR THE SDS-SEA**

- i. The Chair of the Working Group Meeting on the Regional Implementing Mechanism for the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA), Atty. Analiza Rebuelta-Teh, Department of Environment and Natural Resources, Philippines, reported on the results of the Working Group to the Meeting.
- ii. The Working Group Meeting, hosted by the Department of Environment and Natural Resources, Philippines and participated in by representatives from 11 countries, was held in Manila on 16-18 May 2005. The major outcomes of the Meeting were the draft Partnership Agreement and draft Partnership Operating Arrangements. The Meeting also discussed country commitments for supporting the PEMSEA Resource Facility Secretariat Services, as well as efforts needed on national and regional consultations on the drafts, with a view to their adoption by the Ministerial Forum in December 2006.
- iii. Ms. Teh informed the Meeting that the Working Group agreed that the draft Partnership Agreement will be different from the Putrajaya Declaration as it determines what the implementing mechanisms for the SDS-SEA will be and how the implementation could be sustained, based on the consensus among the participating governments. The Working Group conformed to the decision of the 10<sup>th</sup> PSC Meeting that the Partnership Agreement and the Partnership Operating Arrangements are non-legal documents. Ms. Teh also informed the Meeting that the Working Group decided that IMO's proposal to change the "Partnership Agreement" into a "Declaration" and the "Operating Arrangements" into an "Intergovernmental Agreement," and the rationale behind it, exceeded the scope of the regional consensus.

### **5.1 Partnership Agreement on the Implementation of the SDS-SEA**

- 5.1.1 Dr. Huming Yu, Senior Programme Officer, informed the Meeting of the Working Group's considerations in reviewing and refining the draft Agreement, particularly regarding:

- The partnership approach, which focuses on bringing into play the role of each and every stakeholder for the implementation of the SDS-SEA, rather than the traditional intergovernmental approach, which places the responsibility primarily on government, while leaving other users and beneficiaries of those resources mainly as interested observers;

- Programme management objectives and targets, as adopted by the 10<sup>th</sup> PSC Meeting in the Programme of Activities for SDS-SEA implementation;
- The transformation of PEMSEA into an effective regional coordinating mechanism for the implementation of the SDS-SEA;
- The adoption of the four major partnership operating arrangements for the Implementation of the SDS-SEA as recommended by the 10<sup>th</sup> PSC Meeting; and
- The follow up actions needed upon the adoption of the Agreement by the Ministerial Forum of the EAS Congress 2006.

5.1.2 Mr. Jean-Claude Sainlos commended the quality work done by the Working Group and explained the intent of IMO's proposed amendment to the draft Partnership Agreement. According to Mr. Sainlos, since the two drafts produced by the Working Group contain all the elements of a legal regional entity, i.e., a decision-making body, a Secretariat, and a financial mechanism, it was incumbent upon IMO to make the suggestion for completing the process. This was of course subject to the will of the countries.

5.1.3 Some participants responded that the approaches adopted by the Working Group in the draft documents stemmed from a long process of making the choice of what is suitable for the countries and the region through extensive consultations. The Working Group had produced a good draft in accordance with the decision of the 10<sup>th</sup> PSC Meeting, keeping in mind the necessity of being able to address the region's needs with flexibility and practicality. The suggestion to change this consensus-based partnership approach towards a mandatory intergovernmental organizational approach would reopen the discussion on the issues that the countries had settled by consensus.

5.1.4 The representatives from UNDP Manila and UNDP-GEF expressed their adherence to the best interest of the intergovernmental decision. It was clear that the countries were not ready to go directly into an intergovernmental arrangement, and had opted to remain in the UN framework in the meantime. However, it should be kept in mind that this is a critical transition period during which countries must increase their share of the financing and become independent of the UN framework. It is considered an enabling process whereby GEF can provide funding to catalyze country funding.

5.1.5 The Regional Programme Director stated that the catalytic funding should be used for all parties to work better together. There is a need, among other things, to document the substantial funding that the participating countries have put into PEMSEA over the past ten years, in many circumstances without being quantified. This would help gauging the extent of leveraging effects by the GEF projects on the ground level.

## **5.2 Partnership Operating Arrangements for the Implementation of SDS-SEA**

5.2.1 Ms. S.R. Bernad, Legal Officer of PEMSEA, gave a detailed summary of the draft Partnership Operating Arrangements and its major points, and the institutional arrangements which composed the four main elements of the mechanism. She gave a review of salient issues discussed by the Working Group and how they were resolved. These issues included: the inclusion of other Partners in addition to governments; the status of Partners in decision making; stakeholder representation in

the Council; qualifications and procedures for becoming a Partner; who should participate in the first Council meeting; the role of the Council Chair; the role of the Executive Committee; and detailed operating guidelines for the Council, Executive Committee, PRF, and Partnership Fund. The draft reflects the Working Group's consensus in the resolution of these issues.

### **5.3 National and Regional Consultations**

- 5.3.1 Ms. Bernad presented a proposed schedule for bringing the two drafts to adoption by the Ministerial Forum in December 2006.
- 5.3.2 Following the presentations and general discussion regarding the report of the Working Group and the drafts of the Partnership Agreement and Partnership Operating Arrangements, the Meeting was divided into two discussion groups, the first to take up the draft Partnership Agreement and the second the draft Partnership Operating Arrangements. After group discussion, the respective Chairs of the two groups, Mr. Haiqing Li of China and Mr. Robert Jara of the Philippines, reported the results to the Meeting plenary.

### **Partnership Agreement**

- 5.3.3 The Meeting examined the implications if the document should be a "declaration" or "agreement." It was considered that the countries of the region adopted the Putrajaya Declaration as the regional expression of the commitment for the implementation of the SDS-SEA, and the new document should go further than by focusing on the operational approaches and mechanisms to fulfill the declared commitments. In this context, the new document is in fact an agreement among the participating countries to put in place the implementing arrangements for the SDS-SEA. The agreement is not legally binding, but embodies the responsibilities of the countries for the SDS-SEA implementation. The Agreement by its nature will make the document both an effective tool of action and a basis of broad acceptance, without evoking lengthy review and endorsement process required for the legally-binding instruments.
- 5.3.4 Based on the plenary discussion, the Meeting adopted the proposed changes to the draft Partnership Agreement as follows:
- The "need and urgency" to implement the SDS-SEA being changed to the "importance and urgency" as the "importance" here carries more weight than the mere "need";
  - Concern was expressed about the regional target for "adoption" of the national policies and action plans for sustainable coastal and ocean development (i.e., at least 70 percent of the participating countries by 2015). The word "adoption" was changed to the new term of "formulation and implementation", which was considered a more flexible approach in achieving the target; and
  - Integration of certain paragraphs and wording changes were introduced to remove redundancy and enhance the messages the Agreement is supposed to carry.

## Partnership Operating Arrangements

### 5.3.5 The Meeting reviewed and accepted the following amendments to the draft Partnership Operating Arrangements:

- Adding “environment and sustainable development of” to modify “threats” in paragraph 5(a);
- In the list of Partners in paragraph 8, changing “countries” to “national governments”;
- Adding “relevant international and bilateral” between “other” and “entities” in paragraph 14(b) on Other Partners who will convene the first EAS Partnership Council meeting;
- Substituting the Executive Committee for the EAS Partnership Council as the body that will act on applications for inclusion of Partners in paragraph 17;
- Changing the word “shall” in paragraphs 17, 23, 25, 37, 43 (now 44), 49 (now 50), to the word “will”;
- Adding a paragraph after paragraph 28 regarding the development of the Executive Committee’s terms of reference;
- Changing “monitoring” to “evaluation” of the progress of SDS-SEA implementation as part of the functions of the Intergovernmental Session under paragraph 31 (now 32);
- Adding “and makes decisions on a consensus basis” to paragraph 34 (now 35) on the Council Meetings;
- Inserting the following functions of the PRF Secretariat Services in paragraph 38 (now 39) after subparagraph (d): “(e) Monitoring and reporting on the implementation of the SDS-SEA; (f) Coordinating the updating of the SDS-SEA, taking into account changing conditions, emerging issues and other related factors, on a periodic basis”
- Adding “voluntary contributions from” as modifier in paragraph 41 (now 42) on funding for the PRF Secretariat; and
- Changing “Operational Guidelines” in paragraph 52 (now 53) to “any terms of reference, operating mechanisms, and rules of procedure referred to herein”.

### 5.3.6 The Meeting also agreed that:

- The list of large marine ecosystems in paragraph 6 be subject to verification as to the inclusion of the Gulf of Thailand as an LME; and
- There is a need for the early development of procedures for the inclusion of Partners in the EAS Partnership Council in paragraphs 16-18.

### 5.3.7 The Meeting concluded Agenda Item 5 with the acceptance of the draft Partnership Agreement and Partnership Operating Arrangements as amended.

## **6.0 SDS-SEA IMPLEMENTATION**

### **6.1 GEF/UNDP project on the Implementation of SDS-SEA**

- 6.1.1 Mr. Adrian Ross presented an overview of the GEF-approved Project Concept on Implementation of the SDS-SEA. The Meeting was provided with a draft work schedule for preparing the required Project Document and supporting materials, which included the following activities: endorsement of the GEF PDF-B Application; the conduct of national and regional consultations on collaborative arrangements; the gathering of information on baseline activities, baseline costs and co-financing commitments; the confirmation of three new PEMSEA participating countries; the project design; technical reviews and refinement of the draft Project Document; and the submission of final documents, including country co-financing commitments to the GEF Council. It was noted that a PDF-B grant would be required in order to implement the identified activities.
- 6.1.2 Mr. Ross informed the Meeting that eight countries had submitted endorsement letters in support of the GEF PDF-B application. Six of the endorsing countries (Cambodia; Indonesia; Lao PDR; Philippines; Timor Leste; and Vietnam) are eligible for GEF funding support, whereas two of the endorsing countries (Japan and RO Korea) cannot receive GEF grant contributions. This indication of support from Japan and RO Korea was highly appreciated by the Meeting.
- 6.1.3 Dr. Andrew Hudson informed the Meeting that at least two-thirds of GEF-eligible countries are required to endorse a PDF-B Application before proceeding with the formal submission. In the case of the proposed PEMSEA project, this meant that two more GEF-eligible countries need to endorse the Application.
- 6.1.4 In response to the Chair's request, delegates advised the Meeting of the current status of the endorsement process within their respective countries. It was learned that endorsement letters from China and Thailand are pending signature by the GEF Operational Focal Points and that the endorsement process has been initiated in Malaysia.
- 6.1.5 Dr. Chua advised the Meeting that DPR Korea had informed the Secretariat that discussions were ongoing, and that country endorsement could be expected within a month. In the case of Myanmar, the Regional Programme Director would be visiting the country in the next few weeks to explain the forthcoming project, and to seek the country's endorsement. This was confirmed by the representative from Myanmar.
- 6.1.6 A number of questions were raised by country representatives concerning the new project. In response, the Meeting was informed that:
- a) The targets and outputs identified in the project concept paper had been agreed to by participating countries in the formulation of the Programme of Activities for SDS-SEA implementation (10<sup>th</sup> PSC meeting);
  - b) Negotiations will be undertaken with each country during the formulation of the Project Document. During such negotiations, countries will have an opportunity to identify which of the proposed activities are national priorities,

and to confirm their willingness and commitment to participate in such activities;

- c) Transformation of PEMSEA into a long-term, self-sustainable regional mechanism would involve a series of progressive periods. GEF support was being requested to facilitate and catalyze the proposed transitional and transformation periods (i.e., 2007-2009 and 2010-2012 respectively). The transitional period would involve putting in place the partnership operating arrangements, investment programs, and supporting national legal, policy and institutional reforms for improved coastal and ocean governance, including scaling-up of ICM. The transformation period would see the regional mechanism fully implemented, evaluated, improved, and transformed into a self-sustaining long-term facility for SDS-SEA implementation, with a supporting full-scale, replicating investment program. Countries would take full responsibility for the implementation of the final period, a sustainable regional operation, 2013-2016, with donor support possibly being applied at regional, subregional, national, and/or local levels; and
- d) Public awareness would be a major element and activity in the new project, with the objective of mobilizing community support and actions in sustainable development and management of coastal and marine resources.

## **6.2 Co-financing for the PEMSEA Resource Facility Secretariat Services**

- 6.2.1 Dr. Chua introduced the topic of co-financing for the PRF Secretariat Services. He reminded the meeting that this is based on the recommendations of the 10<sup>th</sup> meeting of the PSC (Xiamen, October 2004) concerning the operationalization of a self-sustaining PEMSEA Resource Facility (PRF), with full country support for the PRF Secretariat Services. Dr. Chua informed the meeting that based on the indicative estimates of co-financing by the different countries, several items of the PRF Secretariat Services were already covered. However, some funding gaps still remained and needed to be addressed.
- 6.2.2 The delegations of China and R.O. Korea commented on the positive results provided on co-financing the PRF Secretariat Services. Both delegations encouraged countries to consider ways and means of filling the identified co-financing gaps. They also encouraged UN and international agencies to consider contributing to the funding shortfall.
- 6.2.3 The delegation of Japan advised the Meeting of its ongoing efforts to secure co-financing for future PEMSEA activities. Japan fully recognized the value of the PEMSEA program and the PRF, and needed more time to reach final decision.
- 6.2.4 The representative from Indonesia indicated the possibility of providing additional support to the PRF, and that a letter would be forthcoming. The Philippine delegation reiterated their country commitment to host the PRF, and to discuss requirements for additional office space with the RPO.



### **6.3 Strategic Partnership for Sustainable Development of the LMEs of the Seas of East Asia**

6.3.1 Mr. Adrian Ross introduced the objectives, formulation strategies and current activities being undertaken by the RPO in collaboration with UNDP, World Bank and the GEF Secretariat concerning a Strategic Partnership approach for the sustainable development of the LMEs of the Seas of East Asia. He pointed out that the objectives of the Strategic Partnership are:

- a) To foster the long-term sustainable implementation of the SDS-SEA;
- b) To mobilize the necessary partnerships, support services and investments to execute priority projects and programs to achieve the objectives and targets of the SDS-SEA; and
- c) To demonstrate and prepare the ground for a replicable partnership investment fund in support of pollution prevention and reduction in urban and peri-urban areas of the region.

6.3.2 The Meeting was informed that the Strategic Partnership arrangement would be established with the current PSC as its core, but expanded to include representatives from international financial institutions, international donor organizations, regional and bilateral projects, and programmes, the private sector, and other stakeholders from within and outside of the region.

6.3.3 Mr. Ross pointed out that early development of the proposed Strategic Partnership involved two GEF-supported regional projects, namely the UNDP-implemented project entitled, *Implementation of the SDS-SEA*, and the World Bank-implemented project entitled, *Partnership Investment Fund for Pollution Reduction in the LMEs of East Asia*. The objectives and strategies of the two projects were outlined.

6.3.4 Among the various component activities, the former project would develop and coordinate the Strategic Partnership, as well as evaluate and replicate good practices that are developed and demonstrated among the various partnership initiatives. The latter project would address the urgent need for public and private sector investments in water, sewage, sanitation, and industrial and agricultural waste management facilities in the region. The Partnership Investment Fund would leverage investments at a target rate of 1:10, with a target range between 1:3 and 1:20, from the public and private sector using two financing mechanisms:

- a) Providing grants to eligible clients and projects that are demonstrating innovative technical, institutional and financial mechanisms to combat land-based water pollution; and
- b) Developing and implementing a revolving fund, supporting project preparation and serving as an intermediary between target clients (small cities and peri-urban communities) and the financing sources for pollution reduction facilities and services.

- 6.3.5 Mr. Ross advised that the World Bank program framework would be presented to the GEF Council in November 2005, whereas the UNDP-implemented project would not be submitted until the fall of 2006. The Meeting was informed of the GEF Secretariat's request for the 11<sup>th</sup> PSC's endorsement of the Strategic Partnership approach, and the WB/GEF Partnership Investment Fund, for presentation to the GEF Council.
- 6.3.6 In the ensuing discussion, the Meeting recognized the important contribution of the World Bank/GEF project to the implementation of the SDS-SEA. The Meeting further acknowledged that the Strategic Partnership arrangement was, in essence, the foundation and future of PEMSEA.

## **7.0 COUNTRY STATEMENTS**

### **Cambodia**

- 7.1 Cambodian delegations informed the Meeting of key achievements and progress made in the Sihanoukville national ICM demonstration project, in particular highlighting the recent establishment and operation of the Sihanoukville Environmental Laboratory, the partnership built with the private sector and donor program for conducting beach environmental monitoring, the approval of the coastal use zoning plan, and on-the-ground activities being undertaken for the implementation of Sihanoukville Coastal Strategy addressing the expansion of tourism, solid waste management, and habitat loss and degradation. The delegation also confirmed its support to the implementation of the Gulf of Thailand Project, including the development of a national oil spill contingency plan.
- 7.2 Reaffirming their commitment to the implementation of the SDS-SEA, the delegation expressed Cambodia's support to the draft Partnership Agreement and the Partnership Operating Arrangements, as well as their commitment to co-finance the activities under the PEMSEA Resource Facility and the hosting of one Partnership Council Meeting and one forum meeting of the PEMSEA Network of Local Governments for Sustainable Coastal Development (PNLG) from 2007-2009.

### **China**

- 7.3 The Chinese delegation stated that as a country bordering on three of the five large marine ecosystems of the Seas of East Asia, the Chinese government attaches great importance to the East Asia Seas region and PEMSEA, and has been an active participating country of PEMSEA from the very beginning. It was emphasized that, over the past decade, China has benefited from and contributed to the implementation of programme activities of PEMSEA. China strongly supports the SDS-SEA and believes that the implementation of SDS-SEA will greatly improve the ocean governance and sustainable development of the countries of the East Asia region, including China. China has already started the national implementation of SDS-SEA, through such actions as approval and implementation of a national programme for marine economic development, and development and implementation of a project on coastal and offshore environmental survey and evaluation. Each province is developing its own programme for marine economic development, and

efforts are being made to formulate and implement marine functional zonation schemes and inter-provincial maritime delimitation.

- 7.4 The country is scaling up the ICM concept along its entire coastal region. Based on the successful implementation of the Xiamen ICM demonstration site, nine other coastal cities and municipalities have joined PEMSEA as ICM parallel sites. In the Bohai Sea, China is pushing for capacity building in environmental management. In relation to co-financing, the in-kind contribution for the Bohai Sea region and the nine ICM parallel sites, will surpass US\$ 10 million. China will host the second East Asian Seas Congress to be held in Hainan, in December 2006. China will co-finance operational costs of the PEMSEA Resource Facility Secretariat Services for 2007-2012 as requested, together with other PEMSEA countries, and provide financial support to other events and activities in the implementation of SDS-SEA, in consultation with the PEMSEA Secretariat.
- 7.5 The delegation expressed China's wish to collaborate closely with other countries of PEMSEA and do its utmost in contributing to the full success of the implementation of SDS-SEA.

## **Indonesia**

- 7.6 The Indonesian delegation stated that as an archipelagic state, the country appreciates the contribution of the PEMSEA Regional Programme in building and strengthening coastal management in Indonesia over the past twelve years, as well as the direct benefits to Bali Province and Sukabumi Regency through their ICM projects, which has enabled them to build their confidence and capacity to effectively address critical local issues and concerns in managing coastal and marine resources. Their experiences will assist them in addressing the management of Jakarta Bay, now identified as a priority of the Ministry of Environment. Indonesia requested technical support from PEMSEA to expand ICM throughout the country.
- 7.7 The delegation assured the country's continuing strong support for and active participation in PEMSEA in the implementation of the SDS-SEA. The MOE has conducted a national training on ICM involving 39 local governments as a national initiative for ICM replication, and a national rewards system to encourage local governments to develop and implement ICM programs in their respective localities.
- 7.8 The national focal point indicated a desire to establish a national ICM training center, as well as develop a national ICM practitioners network, and national interagency and multisectoral coordinating mechanisms, particularly involving the Ministries of Marine Affairs and Fisheries, Public Works, Forestry, and the National Planning and Development Board. She indicated active pursuit of national government support for the PRF Secretariat Services, within the capability of the Government of Indonesia, particularly in hosting a meeting/workshop and supporting the country's participation in PEMSEA meetings.

## **Japan**

- 7.9 The Japanese delegation informed the Meeting that as a participating country in the official adoption of the SDS-SEA, Japan looked forward to the successful and effective development of a regional implementing arrangement.
- 7.10 The delegation informed the meeting that the national focal agency, the Ministry of Land, Infrastructure and Transport, is now in the process of submitting a request to the Ministry of Finance for securing the necessary budget to support the operational cost of the PRF Secretariat Services. The result and approval by the Diet, will be known in April 2006. The delegation expressed the hope that the sustainable development of the Seas of East Asia will continue to be promoted by PEMSEA activities.

## **Malaysia**

- 7.11 The Malaysian delegate stated that Malaysia as a maritime nation is ever conscious of the importance of its coasts and seas, and places high priority on programmes to prevent their degradation. Malaysia has taken active measures to address the challenges and threats to managing coastal and ocean environment, including the signing of the Putrajaya Declaration in December 2003. In January 2004, Malaysia embarked on the development of a national integrated coastal zone management policy, which is in the final stage and will be endorsed in the near future.
- 7.12 Malaysia stated its readiness to cooperate with various partners in sharing expertise and experiences towards achieving the goals and objectives of the SDS-SEA. The country wishes to provide available local resources and training facilities for regional capacity building and contribute to the development of expertise and centres of excellence in the region. Malaysia remains committed to sustainable ocean development, and reiterates that it will bear the costs of its participation in regional meetings and discussions.

## **Philippines**

- 7.13 The Philippine delegation expressed their commitment to the advancement of the PEMSEA project and the implementation of the SDS-SEA. In order to promote and operationalize the SDS-SEA, the Department of Environment and Natural Resources (DENR), will facilitate transformation of the department to a more responsive national entity for coastal and ocean management.
- 7.14 The Philippines re-affirmed its commitment to host the PEMSEA Regional Programme Office. The delegation also identified several areas of collaboration that are envisioned to ensure the establishment of a strong operating mechanism for the transformation of the existing RPO to the PEMSEA Resource Facility (PRF).
- 7.15 To secure the country's confirmation of contributions to PEMSEA, the Philippines through the National Focal Point will actively undertake the necessary consultations, prepare work and financial plans, and secure endorsement from the Department.

## **RO Korea**

- 7.16 The RO Korean delegation informed the Meeting of key collaborative activities undertaken with PEMSEA in the past five years, including the development and implementation of Shihwa ICM parallel site; the hosting of the 8<sup>th</sup> PSC Meeting; the first annual forum of the Regional Network of Local Governments implementing ICM; the first Twinning Workshop on Ecosystem Management; and an ICM study tour by national and local government officials to Xiamen.
- 7.17 In view of the development of the new phase of PEMSEA, the delegation reaffirmed RO Korea's commitments to concrete and solid cooperation with PEMSEA, providing the details of potential contributions, totaling \$ 1.4 million during 2007-2009, including staff secondment to support the PRF Secretariat Services, as well as the Partnership Fund, subject to budget review and approval.

## **Singapore**

- 7.18 The delegation from Singapore acknowledged PEMSEA's contribution and work in the region. The country believes that even with their relatively small coastline it is important to work with other East Asian countries in order to ensure the sustainable use and development of the region's marine and coastal environment.
- 7.19 Singapore informed the Meeting of the initiatives and activities undertaken by the country in line with the implementation of the SDS-SEA. The delegation emphasized the need to consider the active participation of the public, private and people sectors to effectively implement the SDS-SEA.

## **Thailand**

- 7.20 The Thai delegation stated that it has given high priority to the management of the coastal and marine environment and actively supported and participated in the regional programmes for sustainable coastal and ocean development . Thailand also recognizes the importance of inter-agency and cross-sectoral coordination, especially considering that there are many agencies and departments involved in coastal and marine resources and environment management.
- 7.21 Thailand expressed appreciation for PEMSEA's efforts, and the belief that the transformation of RPO and SDS-SEA implementation will assist member countries' collaboration and effective capacity-building. The delegation stated that it would actively support the PRF and is considering the suitable means to support its co-financing program. While the government is currently under reorganization, including the national focal agency, they will make every effort to finalize the PDF-B Application endorsement as soon as possible.

## **Vietnam**

- 7.22 The Vietnamese delegation stated that Vietnam will continue to support and actively participate in PEMSEA activities for the successful implementation of the SDS-SEA, specifically to :

- Implement the Partnership Agreement to be signed by the Ministers during the EAS Congress and Ministerial Forum to be held in China in 2006;
- Participate in the regional activities, supporting in the activities of the Secretariat of PEMSEA, based on available capacity; and
- Support and participate in the activities of the regional projects funded by GEF, World Bank and other organizations cooperating with PEMSEA in implementing the SDS-SEA.

7.23 The national focal agency, the Vietnam Environment Protection Agency, Ministry of Natural Resources and Environment, is committed to make all the necessary efforts to successfully implement the SDS-SEA in Vietnam, undertake development of marine and coastal policy, and promote integrated coastal zone management, with the goal of issuing its National Strategy for Marine and Coastal Environment, and applying ICZM in at least 30 percent of its coastal provinces, by 2010.

### **Lao PDR**

7.24 The delegation from Lao PDR informed the Meeting of their country's high regard to natural resources including the water environment and resources. Almost 90% of the country's territory is located at the Mekong River Basin area, and as such the Lao PDR recognizes the need to protect their water environment so as to maximize the benefits that can be derived from it. This recognition is embodied in the country's constitution as well as in other national environmental policies. The country has also participated in various regional and international initiatives to further improve the management of their water environment. The delegation also informed the meeting of the GEF focal point's endorsement of the PDF-B application for the SDS-SEA implementation.

### **Myanmar**

7.25 The delegation from Myanmar expressed the country's interest to participate in the follow-on phase of PEMSEA, particularly in the implementation of the SDS-SEA. Myanmar's coast and marine resources are the fourth largest source of foreign exchange earnings of the country. Thus the government considers the environment as essential to its overall development. While the country has established cooperation with some international programs on marine and coastal resource management, the delegation believes that by becoming a participating country of PEMSEA, Myanmar would be able to further step up their efforts and establish an integrated management approach to address the various issues and constraints of the country in the management of their coastal and marine environment.

### **Timor-Leste**

7.26 The delegation from Timor-Leste provided a profile of the country's coastal and marine environment and resources. While most of the country's marine environment is considered as unspoiled at the present time, the country foresees that developments and expansion of industrial operations, possible exploitation of oil and gas, and other related marine activities will later result in its degradation. As a newly independent country, Timor-Leste is still in the process of building and establishing some of the necessary policies and action programs on coastal and marine protection.

Through their participation in PEMSEA, Timor-Leste hopes to enhance the management of their coasts and marine environment in collaboration with PEMSEA.

## **8.0 EAS CONGRESS 2006 AND MINISTERIAL FORUM**

- 8.1 Dr. Jihyun Lee briefed the Meeting of the venue, dates, theme, and the proposed events of the East Asian Seas (EAS) Congress 2006. The EAS Congress 2006 is being co-organized by PEMSEA and the State Oceanic Administration of PR China, along with other interested partners, and will be held from 12-16 December 2006 in Haikou, Hainan Province, PR China. Building upon the successful conclusion of the first Congress in 2003, the EAS Congress 2006 will feature key events including the Ministerial Forum on the Implementation of the SDS-SEA (14-15 December), International Conference on Coastal and Ocean Governance : One Ocean, One People, One Vision (12-14 December), and the inaugural meeting of the EAS Partnership Council (16 December).
- 8.2 Following Dr. Lee's presentation, Dr. Chua and the Chinese delegation provided further details on the preparation of Congress organization. The representative from China indicated that his government is honored to host the second congress, which will be promoting the involvement of the local community and the general public. Dr. Chua indicated that 29 thematic workshops had been identified thus far, and 14 co-organizing agencies had been confirmed.
- 8.3 The Meeting requested National Focal Points to inform RPO of contact persons for coordinating country participation in Congress activities.

## **9.0 PROJECT CLOSURE AND TRANSFORMATION STRATEGIES TO NEW PHASE**

### **9.1 Terminal Evaluation**

- 9.1.1 The Secretariat informed the Meeting that the process for terminal evaluation of the Programme was now under way, with approaches and methodology established and a terminal evaluation team identified. A work schedule was introduced for the meeting's consideration.
- 9.1.2 Countries were requested to ensure that all field activities be completed by the end of 2005, and that National Focal Agencies and/or Project Management Offices (PMOs) receiving the evaluation team provide all the necessary information and logistics support to the evaluation team.

## **9.2 Transformation Strategies**

- 9.2.1 Dr. Chua presented the Strategies for PEMSEA's transformation into a regional implementing arrangement for the SDS-SEA, outlining the course of actions to transform PEMSEA and its Regional Programme Office from a short-term, project-based operation into a longer-term, sustainable, programme-based operation.
- 9.2.2 The Meeting was advised that the elements of the transformation process are:
- a) Completion of commitments under the existing regional project and closure of the existing regional project;
  - b) Development, endorsement and approval of the new GEF/UNDP project on implementation of the SDS-SEA;
  - c) Selection of an Executing Agency for the new project and confirmation of administrative/operating arrangements under the new Executing Agency;
  - d) Operationalizing a new mechanism for the implementation of the SDS-SEA; and
  - e) Recruitment of the Executive Director and staff for the next phase of PEMSEA.
- 9.2.3 Dr. Chua emphasized that the transformation is not an easy process, involving various challenges such as the change of Executing Agency, change of leadership, reorganization of the Regional Programme management mechanism, complexity in fund management, limited timeframe and lack of financial resources.
- 9.2.4 Dr. Chua advised the Meeting that he will be retiring, upon the completion of the current Regional Programme. He assured the Meeting of his full cooperation and support in the transfer of responsibilities to the new leadership for the next phase of PEMSEA.
- 9.2.5 He also informed the Meeting of a contingency plan in the case of delays in start-up of the next phase of PEMSEA. The estimated budgetary requirements until 30 June 2007 totaled US\$ 775,000, with potential budgetary sources being the uncommitted programme budget, as well as savings in program expenditures as a consequence of external funding from the MSP-PPP, GEF-UNDP PDF-B, and the World Bank/GEF Investment Fund projects.
- 9.2.6 The Meeting was divided into two groups to discuss critical issues pertaining to the Transformation Strategy including the selection of an Executing Agency, the recruitment of an Executive Director, as well as the management structure and financial management arrangements. The results of discussion were reported to the Plenary by the two group chairs, Mr. Li Haiqing and Mr. Robert Jara.

### **Selection of Executive Director**

- 9.2.7 Following the group presentations, extensive interventions ensued, bringing forth the following messages:



- The prospect of having both a UNDP-GEF Project Manager and a PRF Executive Director in the PRF was new to many participants, causing concerns about the consequences on the programme management and coordination, work efficiency and management cost;
- Selecting one PRF Head managing both the secretariat and the technical services was the preferred option of the countries, to be funded by the GEF;
- The interests, needs and concerns of the countries, partners and other stakeholders should be duly heeded in order to lay down a sound basis for the establishment of the management system for the PRF;
- The RPO should communicate the outcomes of the consultations to the countries prior to the next PSC Meeting with regard to the operating arrangements for the SDS-SEA implementation.
- With the understanding that the Director of the GEF Project/PRF will be selected through an international recruitment process, and that preference should be given to a person who is familiar with the region and the culture of PEMSEA; and
- As the issue of Executive Director is extremely important to the future of PEMSEA, the group strongly urged the RPO to address this issue, in close consultation with UNDP, GEF and participating countries, in the soonest manner, with one Executive Director responsible for both PRF and GEF project and one Secretariat responsible for the implementation of SDS-SEA;

### **Selection of Executing Agency**

- 9.2.8 Based on the basic requirements for an Executing Agency, such as cost effectiveness and efficiency and GEF IW experience, and in consideration of its impacts on the arrangements of national focal agencies as well as overhead charge to the project, the Meeting recommended that the UN Office for Project Services (UNOPS) be considered as a preferable candidate for the Executing Agency, while keeping other options open.
- 9.2.9 During the discussion, it was suggested that several constraints with the PRF management mechanism were inherent as an entity without legal personality. The Meeting emphasized previous PSC decisions to work within the UN framework but continue to build up capacities, partnerships and synergies towards an autonomous, self-sustaining regional mechanism.
- 9.2.10 Dr. Chua recalled the 12-year history of PEMSEA since 1993. During this period, PEMSEA has slowly moved toward the sustainable development stage, covering significant ground in rallying the countries into a concerted, stable force to address their shared issues. With steady progress, confidence can be built to overcome hurdles. PEMSEA is now at a critical juncture of development. As such, it still needs to operate within the UN system, and is not ready to emerge as a full-pledged intergovernmental body. The role of GEF and the UN has been to help the countries address their needs and achieve their objectives within their capacities. He expressed the hope that this spirit be kept and extended into the new phase.

## **Management Structure and Financial Management Arrangements**

9.2.11 The Meeting discussed key elements of the management structure and financial management arrangements, as outlined in the transformation strategy and considered:

- The RPO needs to work with UNDP and the PRF hosting government to develop guidelines for secondment of staff to the PRF Secretariat, providing indicative procedures and guidelines by the end of 2005, including responsibilities of seconding and receiving institutions and the host government requirements (number and necessary expertise) for seconded staff;
- The UNDP and RPO should customize the pro-forma cost-sharing agreement, taking into consideration the constraints of governments' requirements, and identify appropriate financial mechanisms for the Regional Partnership Fund and cost-recovery funds; and
- Appreciation was expressed to the RPO for identifying savings with which to fund the activities needed for PEMSEA's transformation to June 2007.

9.2.12 The Meeting adopted the Strategic Action Plan for Transformation with revisions.

## **10.0 OTHER BUSINESS**

10.1 The Meeting requested the RPO to explore the possible venue for the 12<sup>th</sup> PSC Meeting, scheduled on August 2006. The 12<sup>th</sup> PSC Meeting would review and finalize important matters related to the transformation of PEMSEA, including the preparations and organization of the East Asian Seas Congress 2006 and the Ministerial Forum.

## **11.0 CONCLUSIONS AND DECISIONS**

- i. The delegation of RO Korea suggested changing the Meeting's "conclusions and recommendations" to "conclusions and decisions", in light of the fact that the TPR was the decision-making body of the PSC. This suggestion was supported by the delegation from China.
- ii. The meeting agreed to the proposed change of format.

## **REGIONAL PROGRAMME DIRECTOR'S REPORT**

The Meeting noted:

11.1 The achievements of the Regional Programme during the intersessional period, including:

- The progress made by the governments and other stakeholders towards successful completion of field activities associated with national ICM

demonstration projects and subregional seas/pollution hotspots management by December 2005;

- The completion of all recommended actions and requests of the 10<sup>th</sup> PSC meeting and the Mid-Term Evaluation;
- Packaging and dissemination of five technical reports, three issues of Tropical Coasts, 10 issues of PEMSEA e-updates, and the video on Xiamen Story;
- The preparatory activities for the next phase of PEMSEA, including the conduct of the Working Group Meeting on the Implementation of SDS-SEA, the approval of GEF Pipeline Entry Project Concept on SDS-SEA Implementation, and the consultation with UNDP and participating countries on financial support to the PRF Secretariat Services;
- The formulation of a course of actions for the transformation of PEMSEA from a short-term objective oriented, project-based operation into a longer-term, vision-oriented, program-based regional operation;
- The development of strategic partnership between PEMSEA and its regional and global partners for the SDS-SEA implementation, resulting in the formulation of two GEF, UNDP and World Bank supported projects;
- Adoption of the Bali Resolution on the establishment of PEMSEA Network of Local Governments for the Sustainable Coastal Development, which will transform the existing regional network into self-sustaining, local government-driven network;
- Enhancing the local, national and regional capacities in environmental management by organizing training courses, including the conduct of ICM regional training program involving new PEMSEA sites in Indonesia, Philippines, RO Korea, Thailand, and Vietnam, as well as representatives from the member countries of the Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA);
- The preparation of PEMSEA transformation strategies to ensure smooth transition to a new phase of PEMSEA development;
- The increased collaborative activities by PEMSEA with concerned UN and international agencies, regional organizations/programmes, donors, local governments in the region, the private sector, multilateral financial institutions, academe and research institutions, and NGOs as partners in the implementation of the SDS-SEA and the organization of EAS Congress 2006.

11.2 With appreciation, the contribution and support by the governments, international organizations and other stakeholders in furthering the programme implementation, including:

- The support provided by the national and local governments, private sector, non-governmental organizations, academe and/or community groups in demonstrating

the viability and sustainability of on-the-ground coastal and marine integrated management approaches and practices, including the approval of twelve new ICM parallel sites;

- The provision of the training opportunities in environmental monitoring related to oil spills to 13 participants from PEMSEA sites by APEC Marine Environment Training & Education Center (AMETEC) of Korea Ocean Research & Development Institute;
  - The hosting of the 4<sup>th</sup> RNLG forum by the Bali Provincial Government and the Ministry of Environment of Indonesia;
  - The offer of Xiamen Municipal Government to host the Secretariat for the PNLG;
  - The hosting of the Working Group Meeting on the Regional Implementing Mechanism for the SDS-SEA by the Department of Environment and Natural Resources of the Philippines;
  - The hosting of the Workshop on Ecosystem Management of Interrelated River Basins, Estuaries and Coastal Seas by the Ministry of Maritime Affairs and Fisheries of Republic of Korea as well as the offer of the RO Korean government to host the Secretariat of twinning arrangement and to organize the second Twinning Workshop during the EAS Congress 2006;
  - The efforts made by PR China to host the EAS Congress 2006; and
  - The collaboration of fourteen government agencies and programmes in co-organizing a number of thematic workshops as part of the EAS Congress 2006.
- 11.3 With appreciation, the expression of continuing support by the International Maritime Organization (IMO) to PEMSEA and to the implementation of the SDS-SEA, in the capacity of a collaborating agency, despite the fact that IMO will not serve as the executing agency for the next phase of PEMSEA;
- 11.4 That 97.3% of the Programme budget has been committed to December 2006, and US\$ 12.1 million has been mobilized as project co-financing from participating governments, UN agencies/ International Organizations, donors, NGOs, and the private sector.

The Meeting decided:

- 11.5 To accept the Regional Programme Director's Report as presented;
- 11.6 That the Regional Programme Office (RPO), in collaboration with participating countries, make concerted efforts to:
- a. Formulate and implement innovative approaches to scale-up ICM programmes, building on past experiences;

- b. Develop the State of Coasts Report as a vehicle for monitoring and assessing SDS-SEA implementation and impacts within the countries and across the region; and
- c. Facilitate the closure of the current Regional Programme and the smooth transition into the new GEF/UNDP project on Implementation of the SDS-SEA, in co-operation with UNDP, IMO, and other concerned international and regional agencies and programmes.

## **REPORT OF THE WORKING GROUP ON THE REGIONAL IMPLEMENTING MECHANISM FOR THE SDS-SEA**

### **Partnership Agreement on the Implementation of the SDS-SEA**

The Meeting noted major conclusions of the Working Group, including:

- 11.7 The Putrajaya Declaration adopted the SDS-SEA as the basis for managing the Seas of East Asia, while the Partnership Agreement addresses how and by whom the SDS-SEA will be implemented in a sustainable manner over the long term;
- 11.8 The Partnership Agreement, as non-binding agreement, will not be coercive in nature but persuasive, and morally binding rather than legally binding;
- 11.9 The appropriateness of PEMSEA as the regional mechanism for the implementation of SDS-SEA in recognition of PEMSEA's stability, high level support, on-the-ground implementation, mobilization and coordination record, and partnership approach.

The Meeting noted further:

- 11.10 That the Agreement will carry responsibilities of the participating governments for the SDS-SEA implementation instead of legal obligations.

The Meeting decided:

- 11.11 To accept the draft Partnership Agreement on the Implementation of the Sustainable Development Strategy for the Seas of East Asia prepared by the Working Group, as amended by the Meeting, attached as Annex 5;
- 11.12 To submit the draft Partnership Agreement to the 12<sup>th</sup> PSC Meeting for endorsement to the Ministerial Forum of the EAS Congress 2006, bearing in mind the need for further refinement as a consequence of possible changes in management arrangements for the SDS-SEA implementation during the intersessional period.

### **Partnership Operating Arrangements for the Implementation of the SDS-SEA**

The Meeting noted the major conclusions and recommendations of the Working Group, including:

- 11.13 PEMSEA is a partnership arrangement involving all the countries and other stakeholders for the SDS-SEA implementation, which emphasizes the sharing of responsibilities and resources by the stakeholders, rather than placing the environmental and resource management responsibilities solely on the governments;
- 11.14 The Partnership Council should be a regular body composed of all partners, and qualifications for becoming a Partner should neither be too restrictive for stakeholder participation, nor too open as to make the partnership arrangements meaningless;
- 11.15 The major processes and modalities identified for the countries and other stakeholders to become Partners, considering their diversified conditions, capacities, needs and requirements;
- 11.16 The proposed composition of the Executive Committee;
- 11.17 The EAS Partnership Council and its Technical and Intergovernmental Sessions should respectively formulate and adopt detailed rules of procedures, terms of reference and operational guidelines for the proper functioning of the components of the regional mechanism.

The Meeting decided:

- 11.18 To accept the draft Partnership Operating Arrangements for the Implementation of the Sustainable Development Strategy for the Seas of East Asia prepared by the Working Group, as amended by the Meeting, attached as Annex 6;
- 11.19 To submit the Partnership Operating Arrangements to the 12<sup>th</sup> PSC Meeting for endorsement to the Ministerial Forum of the EAS Congress 2006, bearing in mind the need for further refinement as a consequence of possible changes in management arrangements for the SDS-SEA implementation during the intersessional period;
- 11.20 That the RPO prepare, in consultation with the PEMSEA participating countries and other stakeholders, a provisional agenda for the inaugural meeting of the EAS Partnership Council and the guidelines for the conduct of the Council meetings, and submit them for the consideration of the 12<sup>th</sup> PSC Meeting.

### **National and Regional Consultations**

The Meeting noted:

- 11.21 The need for cross-sector and interagency consultation at national level in accordance with country mechanisms and requirements to secure national approval of the draft documents;
- 11.22 The need to consult with potential and existing regional and global partners regarding the Documents to foster partnership arrangements and to broaden the basis of stakeholder participation in the Partnership Operating Arrangements;

- 11.23 The preparatory activities required for the conduct of the inaugural meeting of the EAS Partnership Council following the adoption of the Documents by the Ministerial Forum of the EAS Congress, particularly the preparation of the agenda, timetable and other working documents.

The Meeting recommended:

- 11.24 The adoption of an action plan for country endorsement of the Partnership Agreement and the Partnership Operating Arrangements, as follows:

<b>Action</b>	<b>Timeline</b>
Promote national multi-sector and inter-agency consultation of the draft Documents	Aug – Dec 2005
Seek national approval of the draft Documents in accordance with national mechanisms and requirements	Jan - Apr 2006

The Meeting decided:

- 11.25 To request the RPO to implement an action plan for finalization of the Partnership Agreement and the Partnership Operating Arrangements, taking into account the feedback from national and regional consultations, for presentation and adoption by the Ministerial Forum in December 2006, as follows:

<b>Action</b>	<b>Timeline</b>
Consultation with potential regional and global partners on the draft Documents by the RPO	Aug 2005 - Apr 2006
Compilation of feedback from national and regional consultation for the final draft Documents by the RPO	May - July 2006
Endorsement of the final draft Documents by the 12th PSC Meeting	August 2006
Preparation and printing of final Documents for adoption by the RPO	Oct - Nov 2006
Adoption of the Documents by the Ministerial Forum of the EAS Congress 2006	Dec 2006

## **SDS-SEA IMPLEMENTATION**

### **GEF/UNDP Project on the Implementation of SDS-SEA**

The Meeting noted:

- 11.26 The GEF requirement that two-thirds of participating countries, which are eligible for GEF assistance, must endorse the PDF-B Application prior to formal submission;
- 11.27 Other GEF eligible countries must endorse PDF-B Application shortly thereafter, if they wish to receive funding for the full project implementation;

- 11.28 With appreciation, that 6 of the 11 PEMSEA countries eligible for GEF support, have provided letters of endorsement for the PDF-B application;
- 11.29 With gratitude, the endorsement of the PDF-B Application by Japan and RO Korea;
- 11.30 The proposed work schedule for preparation and submission of the Project Document and supporting materials for GEF Council review and approval at its Fall 2006 meeting.

The Meeting decided:

- 11.31 All participating countries that are eligible for GEF assistance in the new GEF/UNDP/PEMSEA implemented project are urged to endorse the PDF-B Application as early as possible in order to facilitate the start-up of the project preparation process;
- 11.32 All PEMSEA participating countries assist and support the RPO in completing the Project Document, including the provision of letters of country co-financing commitment, in accordance with the following schedule:

Activities	Milestone Dates
1. Country endorsement of PDF-B application	August 2005
2. Approval of PDF-B application	August 2005
3. National/regional consultations/project design	August 2005-April 2006
4. Draft ProDoc to STAP, UNDP, GEF for technical review	June 2006
5. Final ProDoc to UNDP/GEF, with country co-financing commitment letters	August 2006
6. GEF Council meeting	Fall 2006
7. GEF Council Approval and CEO endorsement	Fall 2006

- 11.33 The RPO collaborate closely with PEMSEA National Focal Points to gather and consolidate the required information for inclusion in the Project Document, including country baseline assessments, a comprehensive review of baseline cost and co-financing commitments, priority programmes for implementation within the SDS-SEA framework, and capacity building needs;
- 11.34 The RPO continue efforts to confirm the participation of the three new participating countries (i.e., Lao PDR; Myanmar; and Timor-Leste) for the implementation of the SDS-SEA.



### **Co-financing for the PEMSEA Resource Facility Secretariat Services**

The Meeting noted:

- 11.35 With appreciation, the on-going efforts of the participating countries to secure co-financing for the PEMSEA Resource Facility Secretariat Services;
- 11.36 The reiteration of commitments and encouraging level of indicative co-financing of US\$ 2 million for the PRF Secretariat Services by the participating countries.

The Meeting decided:

- 11.37 That participating countries:
  - Continue with their best efforts to confirm the indicative co-financing and to address the remaining shortfalls;
  - Transmit letters of support confirming co-financing commitments to the PRF Secretariat Services before 1 June 2006;
  - Endorse the prototype Cost-Sharing Agreement (CSA) as the instrument for cash contributions to support PRF Secretariat Services;
- 11.38 That the UNDP facilitate the completion of CSAs, in cooperation with participating countries and the RPO, before 1 June 2006.

### **Strategic Partnership for Sustainable Development of the LMEs of the Seas of East Asia**

The Meeting noted, with appreciation:

- 11.39 The ongoing collaboration involving UNDP, World Bank, GEF Secretariat and the RPO in the formulation of the Strategic Partnership for Sustainable Development of LMEs of the Seas of East Asia, including the development of two GEF-supported projects;
- 11.40 The complementary and synergistic relationship between the proposed UNDP-implemented project entitled, Implementation of the SDS-SEA, and the World Bank-implemented project entitled, Partnership Investment Fund for Pollution Reduction in the LMEs of East Asia;
- 11.41 The submission from the World Bank to the 11<sup>th</sup> PSC Meeting regarding the Partnership Investment Fund, and its contribution as an essential component of the Strategic Partnership arrangement for the long-term and sustainable implementation of the SDS-SEA.

The Meeting decided:

- 11.42 To unanimously approve a Resolution in Support of the Strategic Partnership for Sustainable Development of the LMEs of the Seas of East Asia, as provided in Annex 7.

## **COUNTRY STATEMENTS**

The Meeting noted with appreciation:

- 11.43 The commitments of countries to the advancement of PEMSEA projects and the implementation of SDS-SEA;
- 11.44 The reaffirmation of the Philippines to continue to host the Regional Programme Office in the next phase of PEMSEA;
- 11.45 The existing initiatives by countries toward the implementation of the SDS-SEA using their own resources, including the replication and scaling-up of integrated coastal management(ICM) programmes;
- 11.46 The commitments of Lao PDR, Myanmar and Timor-Leste to the implementation of SDS-SEA.

## **EAS CONGRESS 2006 AND MINISTERIAL FORUM**

The Meeting noted:

- 11.47 With appreciation, the support and efforts of the State Oceanic Administration of PR China in hosting and co-organizing the EAS Congress 2006;
- 11.48 The venue, dates, themes and the proposed events of the EAS Congress 2006;
- 11.49 The interest of other government agencies and partners to co-organize the workshops as part of the EAS Congress 2006.

The Meeting decided that:

- 11.50 National Focal Points inform the RPO of contact persons for facilitating and coordinating country participation in Congress activities.

## PROJECT CLOSURE AND TRANSFORMATION STRATEGIES TO NEW PHASE

### Terminal Evaluation

The Meeting noted:

- 11.51 The preparatory work undertaken by the RPO, in consultation with the UNDP for the terminal evaluation of the Regional Programme and the proposed work schedule.

The Meeting decided:

- 11.52 To accept the following work schedule for the terminal evaluation:

Activity	Timeframe 2006
RPO Briefing / Technical Review	20 February
Desktop Study, RPO	20-21 February
Field Visit: Philippines	22-24 February
Field Visit: Vietnam	26 February – 8 March
Field Visit: Thailand	
Field Visit: Cambodia	
Specialist Technical Reports	10-14 March
Initial Draft Terminal Report	20 March
Draft Terminal Evaluation Report	31 March
Draft Terminal Evaluation Report review	1-9 April
Refinement of Terminal Evaluation Report	10-20 April
Final Terminal Evaluation Report submitted	20 April

- 11.53 That concerned countries and Project Management Offices (PMOs) receiving the evaluation team facilitate the conduct of the evaluation and site tours and provide required assistance and information for the team;
- 11.54 That all the PMOs submit site reports for inclusion in the Terminal Evaluation by the end of December 2005.

### PEMSEA Transformation Strategies

#### *Executing Agency*

The Meeting noted:

- 11.55 The requirements for the selection of the Executing Agency for the UNDP/GEF Project on the Implementation of the SDS-SEA, particularly the competency as a

legally established body, cost effectiveness and efficiency, capacity and experiences in managing GEF International Water (IW) projects and/or UN projects, preferably a UN organization with neutrality, UN privileges and immunities, familiarity with UNDP rules and procedures, and the attraction for best national and international professionals;

- 11.56 Options available regarding potential candidate agencies for the selection, notably those ocean-related UN agencies and the agencies operating GEF IW projects, as well as their project management experiences particularly in the Seas of East Asia region.

The Meeting decided:

- 11.57 That the United Nations Office for Project Services (UNOPS) was the preferable candidate for Executing Agency among the identified options, without ruling out other options in case better alternatives can be identified during the selection process;
- 11.58 The RPO continue consultations with the countries, UNDP, and potential candidate agencies concerning the selection of the Executing Agency, bearing in mind the consensus of the present Meeting on this matter and that the final decision lies with UNDP as the Implementing Agency, and report the results to the 12<sup>th</sup> PSC Meeting for consideration.

#### ***PEMSEA Resource Facility Executive Director***

The Meeting noted:

- 11.59 The crucial importance of the selection of the PEMSEA Resource Facility Executive Director (PRF-ED) for the long term development and management of the SDS-SEA programme implementation, and the ultimate need to fund the position of the PRF-ED with the country support as an indication of PEMSEA's country ownership;
- 11.60 The need for the selection of a Project Manager for the forthcoming UNDP/GEF Project on the Implementation of the SDS-SEA in accordance with the UNDP/GEF process;
- 11.61 The concerns that dual management of the programmes for the SDS-SEA implementation by the country-funded PRF-ED and the UNDP/GEF recruited Project Manager may have implications for the programme performance efficiency and effectiveness, coherent programme management, coordination and personnel cost;
- 11.62 The uncertainties of funding the position of the PRF-ED with country support in view of the time constraint and diversified modalities with regard to the delivery of country financial support to the PRF Secretariat Service during the PEMSEA transformation process;
- 11.63 The benefits of integrating the responsibilities of both PRF-ED and the UNDP-GEF Project Manager for better programme coordination, integration and cost-effectiveness during the PEMSEA transformation phase, taking into account the complexity and workload involved;

- 11.64 The consensus that the integrated PRF management overseeing both secretariat and technical services is the appropriate option and should be pursued.

The Meeting decided:

- 11.65 That the RPO explore options, in consultation with the countries, the UNDP, and GEF, for achieving the integration of both PRF and UNDP/GEF Project Management roles and responsibilities during PEMSEA transformation phase;
- 11.66 That the RPO organize consultations with the countries, concerned partners and other stakeholders regarding the PRF-ED, and prepare draft terms of reference for the PRF-ED;
- 11.67 That the RPO submit the findings of consultations concerning the integration of PRF management responsibilities and the selection of the PRF-ED, as well as the draft terms of reference for the PRF-ED to the 12<sup>th</sup> PSC Meeting for consideration.

### ***Management Structure and Financial Management Arrangements***

The Meeting noted:

- 11.68 That countries intending to make cash contributions and second staff to the PRF Secretariat Services need guidance from the RPO on the process;
- 11.69 The efforts of the RPO and UNDP regarding cost-sharing agreements to cover cash contributions by countries to the PRF Secretariat Services, and other financial arrangements for the Regional Partnership Fund and cost-recovery funds;
- 11.70 The contingency plan covering possible delays in the start of the next phase of PEMSEA, which had been prepared by the RPO, and expressed appreciation to the RPO for identifying savings with which to fund the activities needed for PEMSEA's transformation.

The Meeting decided:

- 11.71 To accept the Strategic Action Plan for PEMSEA's Transformation into a Regional Implementing Arrangement for the SDS-SEA, as contained in PSC/05/DOC/27 and amended by the Meeting, as attached in Annex 8.
- 11.72 That the RPO should work with UNDP and the PRF host government to develop guidelines for secondment of staff to the PRF Secretariat, with the preparation of indicative procedures by the end of 2005, including: responsibilities of seconding and receiving institutions and the host government; staff requirements (number and necessary expertise) for staff secondment;
- 11.73 That UNDP and RPO:

- customize the pro-forma cost-sharing agreement, taking into consideration the constraints of governments' requirements; and
- identify appropriate financial mechanisms for the Regional Partnership Fund and cost-recovery funds.

11.74 To approve the contingency plan covering possible delays in the start of the next phase of PEMSEA, as attached in Annex 9, and to provide the Regional Programme Director with the responsibility and flexibility to manage and implement the contingency plan and budget in a cost-effective and efficient manner.

## **OTHER BUSINESS**

The Meeting decided:

11.75 The RPO explore the possible venue for the 12<sup>th</sup> PSC Meeting, scheduled on August 2006, in consultation with interested countries.

## **12.0 ADOPTION OF THE 11<sup>TH</sup> PSC MEETING REPORT**

12.1 The Meeting adopted the Proceedings of the 11<sup>th</sup> PSC.

## **13.0 CLOSING CEREMONY**

13.1 In closing the Meeting, the Co-chair, Mr. Khong Sam Nuon, Secretary of State, Ministry of Environment, Cambodia, expressed sincere appreciation to all representatives for their active participation in the Meeting's deliberations. Mr. Khong highlighted the major accomplishments and decisions of the Meeting, giving particular emphasis to the Meeting's acceptance of the Draft Partnership Agreement and Partnership Operating Arrangements for the implementation of the SDS-SEA, as well as the adoption of the necessary strategies, action plan and other critical steps that need to be undertaken to ensure the smooth transition of PEMSEA to the new phase. Mr. Khong urged all the participating countries as well as the UNDP-GEF and IMO to exert their best efforts so as to realize the objectives set by the 11<sup>th</sup> PSC Meeting and to reach the regional vision enshrined in the SDS-SEA. The Co-chair commended the PEMSEA Secretariat, the local Secretariat from the MOE, and the PMO in Sihanoukville for the efficient organization of the Meeting. He also acknowledged the valuable contributions of the UNDP Manila, UNDP-GEF and IMO to the Meeting's discussions, and congratulated all the participants for the successful conclusion of the Meeting.

13.2 The Co-Chair, Dr. Andrew Hudson, Principal Technical Advisor, UNDP-GEF, New York, thanked all participants for their constructive inputs to the Meeting. Dr. Hudson noted the tangible and continued results of PEMSEA activities, particularly in addressing transboundary pollution hotspots in the region. He further emphasized that evidence of country and stakeholder support for PEMSEA, as the pre-eminent regional mechanism for the sustainable development of the Seas of East Asia,

remains pervasive. Dr. Hudson drew the participants' attention to the following key deliverables for the next 12 months:

- The finalization and adoption of the Partnership Agreement and the Partnership Operating Arrangements;
- Initial steps in the transformation of PEMSEA to a self-sustaining PRF, including establishment of cost-sharing agreements and other financial contributions;
- Independent terminal evaluation of PEMSEA and the inclusion of the results of the evaluation into the final design of the UNDP/GEF SDS-SEA implementation project;
- Financial and operational closure of the project and the transition to the new phase under the UN Office of Project Services; and
- Final development, submission and approval of the GEF/World Bank Partnership Investment Fund for Pollution Reduction in the LMEs of East Asia scheduled for the Fall 2005, and the GEF/UNDP Implementation of the SDS-SEA, scheduled for the Fall 2006.

Given the number of deliverables and challenges ahead, Dr. Hudson urged all countries to focus and be responsive to the RPO in gathering the necessary information and in preparing the projects. In particular, the endorsements of the PDF-B on the Implementation of the SDS-SEA must be submitted in August 2005, and all the necessary documentation must be ready in time for the Fall 2006 Council. He encouraged all participants to move together speedily to avoid the postponement of submission that would result to serious repercussions to the PEMSEA programme. In conclusion, Dr. Hudson expressed his gratitude to the Royal Kingdom of Cambodia for their generosity and hospitality, and reiterated UNDP-GEF's continued catalytic role in the implementation of the SDS-SEA.

- 13.3 Mr. Jean-Claude Sainlos conveyed his appreciation for the hospitality of the Government of Cambodia. He acknowledged the various achievements of the PEMSEA project over the past 12 years, especially the initial steps that have been undertaken thus far in line with the establishment of the sustainable mechanism for the implementation of the SDS-SEA. While IMO will no longer serve as PEMSEA's executing agency, IMO will continue supporting the country programs related to IMO's areas of responsibility. Furthermore, he underlined IMO's support and assistance to ensure the successful completion of the project and smooth transition of PEMSEA to the new phase, and expressed optimism with the adoption of the Partnership Agreement and Partnership Operating Arrangements for the implementation of the SDS-SEA.
- 13.4 The delegations of China, Philippines, RO Korea, Thailand, and Japan expressed their heartfelt thanks to the Government of Cambodia for hosting the Meeting, and to the local staff and the PEMSEA Secretariat for the successful organization of the Meeting. The countries gave a vote of thanks for the able leadership of the Co-Chair in presiding over the Meeting. The countries reiterated their continued support and commitment to PEMSEA. The delegations acknowledged the need to step up their efforts and to further strengthen their cooperation at this critical juncture of the project, especially in accelerating the preparation for the transition of PEMSEA to the new phase.

- 13.5 The Regional Programme Director, Dr. Chua-Thia Eng, conveyed his gratitude to the Co-Chairs for their able leadership and to the Rapporteur for her assistance. He commended the local staff, headed by Mr. Long Rithirak, the staff of the Programme Management Office of Sihanoukville National ICM Demonstration Site, and the PEMSEA Secretariat for efficiently organizing the Meeting. Dr. Chua highlighted the spirit of cooperation as the key factor that has enabled the region to establish PEMSEA as a strong entity in the sustainable development of the East Asian Seas. This same spirit, if coupled with more self-reliance, would also serve as a strong instrument in promoting the region towards greater heights. Dr. Chua asked for the countries' continuing support and commitment for the remaining period of the project and on to the new phase. He called on all the participating countries to show solidarity in undertaking the critical steps and activities, particularly the preparation of the baseline information, endorsement of the PDF-B application, and the identification of country contributions and co-financing for the PRF Secretariat Services. The RPD invited all the participants to actively implement the activities identified in the adopted Strategic Action Plan for PEMSEA's Transformation, and to participate in the 12<sup>th</sup> PSC Meeting in August 2006 and the EAS Congress in December 2006.
- 13.6 The Meeting closed at 5:00 PM, 4 August 2005.

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## **ANNEX 1**

### **List of Participants**

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**Apsara Angkor Hotel**  
**Siem Reap, Cambodia**  
**01 – 04 August 2005**

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## **ANNEX 2**

### **Full Text of Speeches**

#### **Opening Ceremony**

**Opening Remarks of Dr. Chua Thia-Eng  
Regional Programme Director, GEF/UNDP/IMO – PEMSEA**

His Excellency Dr. Mok Mareth, Senior Minister and Minister of Environment, Royal Government of Cambodia

Mr. Andrew Hudson, Principal Technical Advisor

Mr. Jean Claude Sainlos, Director, Marine Environment Division, IMO

Ladies and Gentlemen

Good morning to all.

On behalf of PEMSEA, I welcome all of you to this beautiful and historic city of Siem Reap and to this special occasion, the 11<sup>th</sup> Programme Steering Committee Meeting.

It is again a meeting of old friends and certainly new ones, some of whom are attending the PSC meeting for the first time. As such I would like to express a special warm welcome to the following

- a) From the delegation of Indonesia, we welcome Mrs. Masnellyarti Hilman, Deputy Minister of the Ministry of Environment;
- b) From the delegation of Japan, we welcome Mr. Mitsuhiro Ida, Deputy Director, Ministry of Land, Infrastructure and Transport, and Dr. Shigeru Tabeta, University of Tokyo;
- c) From the delegation of RO Korea, we welcome Mr. Byoung- Gyu Seo, Director, Ministry of Maritime Affairs and Fisheries, and Mr. Sang-In Kang and Dr. Chang-Hee Lee of the Korea Environment Institute;
- d) From the delegation of Singapore, we welcome Mr. Jason Tan Theng Kok of State Counsel of Singapore;
- e) From the delegation of Vietnam, we welcome Dr. Tran Hong Ha, Director-General of the Vietnam Environmental Protection Agency;
- f) From the delegation of the Philippines, Atty. Analiza Rebuerta-Teh, Assistant Secretary, Department of Environment and Natural Resources, and Ms. Erlinda Gonzales of the Manila Bay environmental Management Project; and
- g) From that of our host, Dr. Lonh Heal, Director-General, Ministry of Environment, and Mr. Prak Sihara, Vice Governor of Sihanoukville.

I would also like to take this opportunity to welcome the representatives from three new member countries:

- a) Lao People's Democratic Republic, Mr. Chanthanet Boualapha, Deputy Director, Secretariat of Water Resources Coordination Committee;
- b) Myanmar, Prof. U Hla Tint, Pro-Rector, Patheingyi University; and
- c) Timor-Leste, Mr. Carlos Ximenes, Director for Environment, Ministry of Development and Environment.

It is also my pleasure to welcome two colleagues from UNDP:

- a) Mr. Kyo Naka, Deputy Resident Representative, UNDP Manila; and

- b) Mr. Randal Purcell, Regional Technical Advisor, UNDP/GEF Unit, UN Regional Centre in Bangkok

For those who attend the PSC meeting for the first time, I hope you will have time to familiarize yourself of the concept and operation of PEMSEA. My colleagues in the Secretariat and I are always ready to clarify any doubts or queries you may have pertaining to the past, current or planned activities of PEMSEA.

Ladies and gentlemen, this Meeting is hosted by the Royal Government of Cambodia who is very kind to cover the costs of all meals, transportation, secretariat support and basic meeting expenses. On your behalf, I would like to thank Minister Mok Mareth for his support and his able staff who have been working here for the last several days to help in logistic arrangements.

This is a special Tripartite meeting of the participating governments, the implementing and executing agencies of the current phase of PEMSEA. The primary purpose of this meeting is to discuss amongst others, three major issues:

- a) Operational arrangement for the implementation of the Sustainable Development Strategy for the Seas of East Asia which was endorsed by the participating governments in December 2003 through the Putrajaya Declaration at the Ministerial Forum during the EAS Congress 2003. Two important documents will be tabled for discussion, the draft Partnership Agreement and the Partnership Operating Arrangements for the implementation of the SDS-SEA;
- b) The transformation of the current project –based arrangement to a country-driven, programme-based, partnership arrangement for the implementation of the SDS-SEA including the transformation of current Regional Programme Office into a self-sustained PEMSEA Resource Facility; and
- c) The completion of the current activities by December 2006 and the transition into the new phase

The tasks ahead of us are daunting ones as within the next 17 months, the Regional Programme Office would not only have to speed up its activities to complete the existing phase but also to concentrate on developing the new activities of the follow-on phase. In addition, the RPO will also have to secure the needed financial resources to bridge the gap that might exist between the current and the follow-on phase. Of equal challenge is the transition that involves the change of executing agency from International Maritime Organization to a new executing arrangement as well as the transition arising from the change of project leadership.

On the other hand, the opportunities ahead of us are equally attractive and encouraging. With the development of the strategic partnership arrangement between GEF, World Bank, UNDP, PEMSEA as well as other possible partners with other UN agencies and stakeholders, there will be an increased interest and support for these regional efforts towards realizing the common vision of the region in achieving sustainable development of the coasts and oceans.

For the last 12 years, participating countries have been very cooperative with both the implementing and executing agencies in realizing various PEMSEA activities. Because of your



cooperation and support, we were able to make significant progress towards achieving the project goals and objectives.

Ladies and Gentlemen,

PEMSEA has now reached another cross road. We have to pause for a while to take stock of what we have achieved and decide on the path ahead of us. For the past year, participating countries, GEF and the concerned implementing and executing agencies have taken keen interest to explore the appropriate sustaining implementing mechanism that will build upon the partnership foundation that has been laid by the RPO. Some of the countries of the region have agreed to provide financial support to the future secretariat whilst other have pledged their share in covering some of the operational expenses either in cash or in kind. The spirit of partnership has greatly heightened and we are close to achieving a mechanism that will be country-driven and sustained through the efforts of strategic partners who subscribe to the concept and goals of the SDS-SEA.

For the last 12 years, the GEF has taken great interest in PEMSEA and have supported various project activities of the region. The GEF secretariat has approved the concept proposals for a new regional initiative concerning the implementation of the SDS-SEA, as well as for the World Bank-GEF project concerning pollution reduction in the large marine ecosystems of the Seas of East Asia. Now is the time for the countries of the region to collectively express their commitments through active involvement in the design of and support to a country-driven implementing arrangement that will ensure the attainment of their common vision in the sustainable development of the Seas of East Asia.

I am optimistic that with your collective efforts, you will certainly be able to address the above challenges with satisfactory outcomes. On behalf of the PEMSEA secretariat, I wish to assure you that we are ready to assist in whatever way we can to contribute to your deliberation and provide the secretariat support you may need.

Thank you and a very pleasant good morning.

**Opening Remarks of Dr. Andrew G. Hudson  
Principal Technical Advisor, International Waters  
United Nations Development Programme/Global Environment Facility**

The Honourable Minister, His Excellency Dr. Mok Mareth  
Distinguished delegates  
Ladies and gentlemen

On behalf of UNDP and the GEF, I would like to welcome everyone to the 11<sup>th</sup> PEMSEA PSC here in Siam Reap, home of one of the world's most important cultural heritage sites, Angkor Wat, and only a short distance away from one of the world's most important centers of freshwater biodiversity and livelihoods for the Cambodian people, the Tonle Sap. I would also like to extend my sincere thanks to the government of Cambodia and the Ministry of Environment for its generous hosting of the 11<sup>th</sup> PSC at this historic site.

Over the last ten years, UNDP has worked closely with East Asian governments, the International Maritime Organization and other partners in establishing the regional entity we now know as PEMSEA. PEMSEA has established itself as the region's premier organization for promoting integrated and sustainable approaches to effective environmental management of critical marine and coastal resources. In late 2004, the efforts of the PEMSEA partnership culminated in the adoption of the Sustainable Development Strategy for the Seas of East Asia, or SDS-SEA. The SDS-SEA provides a common platform for regional cooperation, and a framework for policy and program development and implementation at the local and national levels. PEMSEA countries, international organizations and other key stakeholders are now ready to commence implementation of the SDS-SEA.

The SDS-SEA includes a number of key commitments by East Asian Seas governments related to overall strategy coordination and regional cooperation, including the Partnership Council, the East Asian Seas Congress, and establishment of the permanent PEMSEA Resource Facility or PRF.

The GEF remains committed to providing catalytic support to implementation of the SDS-SEA and has indicated its support for the development of a Strategic Partnership for SDS-SEA implementation involving coordinated preparation and implementation of GEF International Waters projects through both UNDP and the World Bank, as well as inputs from other UN and international organizations. A project concept detailing UNDP's anticipated contribution to the Strategic Partnership was accepted into the GEF pipeline in Spring 2005 and efforts are presently underway to prepare and submit a project development facility or PDF-B proposal to secure preparation funding. Preparation is scheduled to be completed in late 2006 for submission to the GEF Council for funding consideration in GEF's 2007-2010 funding cycle.

UNDP welcomes the recent progress made on the Regional Implementing Mechanism for the SDS-SEA, including the draft Partnership Agreement and Partnership Operating Arrangements which you will review this week. UNDP, like IMO, considers it vital that all necessary technical, administrative and legal steps toward establishment of the country supported PRF be completed and delivered as a planned outcome of the current project, as this is a core sustainability requirement for continued GEF funding to SDS-SEA.

As my colleague from IMO has indicated, based on reasons related to its core mandate, IMO has elected to no longer serve as the Executing Agency for this third and likely final stage of support to PEMSEA and initiation of SDS-SEA. On behalf of UNDP, the GEF, and the broader PEMSEA community, I would like to express my sincere thanks and appreciation to the many dedicated staff at IMO who have helped make PEMSEA a success over the last twelve years and in particular to my colleague Mr. Jean-Claude Sainlos. Needless to say, UNDP looks forward to continued cooperation with IMO in this next phase in its areas of comparative advantage and interest.

In conclusion, I would like to underscore UNDP and the GEF's continuing commitment to providing catalytic support to implementation of the SDS-SEA. Thanks again to the government of Cambodia for hosting the 11<sup>th</sup> PSC here in this very special national cultural and ecological treasure. I look forward to stimulating and productive discussions with all of you this week towards achieving the objectives of the Meeting and further advancement of the Sustainable Development Strategy for the Seas of East Asia. Thank you.

**Opening Remarks of Mr. Jean-Claude Sainlos  
Director, Marine Environment Division, International Maritime Organization**

The Honourable Minister, His Excellency Dr. Mok Mareth  
Distinguished delegates  
Ladies and gentlemen

It is a great pleasure for me to speak on behalf of the International Maritime Organization (IMO) at the opening of the 11<sup>th</sup> Meeting of the Programme Steering Committee. I would like to express my deepest gratitude to our host, the Royal Government of Cambodia, for the warm hospitality and excellent arrangements for this Meeting. I visited Siam Reap some years ago, and coming back once again has filled me with pleasant memories.

**IMO as Executing Agency**

Since 1994, IMO as executing agency of PEMSEA and its earlier programme, has had great opportunities to work with the twelve participating countries and relevant stakeholders in the East Asian region in building a common platform for regional co-operation and partnership to achieve the sustainable development of the seas of East Asia, which expanded from integrated coastal management to a broad-based multiple area focus programme.

As all of you are aware, your collective contributions and efforts over the past twelve years culminated and are embodied in the Sustainable Development Strategy for the Seas of East Asia, which was adopted through the Putrajaya Declaration signed in December 2003. IMO is certainly pleased and proud to have been a key partner in such an important endeavour. Such a significant achievement is also a testament to the sustained efforts, dedication and hard work of the Regional Programme Office, in particular, to Dr. Chua and his very competent staff----my sincere appreciation and congratulations for their excellent work and team efforts.

**Technical Co-operation**

In this respect, I would like also to acknowledge the important role PEMSEA has played in the implementation of IMO's Integrated Technical Co-operation Programme, or ITCP, in this region. Since 1999, three projects of the ITCP were developed and successfully implemented under the PEMSEA framework, namely:

1. Strengthening of chemical spill prevention and response levels in selected ports in the East Asian region;
2. Regional project on oil pollution preparedness, response and compensation; and
3. Supporting implementation of MARPOL and OPRC Conventions by South Asian countries and establishment of a port safety and environmental management system.

Over the past five years, PEMSEA has carried out 23 training courses and workshops under IMO's ITCP. In addition, two new projects are underway on the integration of local and national oil spill response contingency plans in the littoral States of the Gulf of Thailand and

Bohai Sea into sub-regional contingency plans, and the regional training and certification programme on port safety, security, health and environment management system in East Asia.

### **IMO Activities on Marine Environment Protection**

At this juncture, I would like to inform you on the 53<sup>rd</sup> Session of the Marine Environment Protection Committee (MEPC), held less than two weeks ago at IMO, which made important progress on matters that will make a significant contribution to IMO's endeavour to achieve a pollution-free marine environment as well as generate positive outcomes for this region.

For example, MEPC has been instrumental in the development and adoption of two regulations under MARPOL 73/78, namely, amended regulation 13G on the accelerated phase-out of single-hull oil tankers and the new regulation 13H on prevention of pollution from tankers carrying heavy grade oil as cargo, which entered into force on 5 April 2005.

MARPOL Annex VI on prevention of air pollution from ships has also entered into force on 19 May 2005 and at MEPC 53, the Committee adopted four new guidelines that include the introduction of a harmonized system for survey and certification under Annex VI, on port State control, and on on-board exhaust gas cleaning systems. Regarding ship recycling, MEPC 53 agreed that IMO should develop, as a high priority, a new instrument that will be legally binding and globally applicable ship recycling regulations for international shipping and for ship-recycling facilities. As a consequence, MEPC 53 approved a draft resolution, which will be submitted for adoption by the 24<sup>th</sup> Session of IMO's Assembly in November this year.

On ballast water management, MEPC 53 considered several guidelines on ballast water management systems and associated procedure for the development of much needed ballast water treatment technologies. Five Ballast Water Management Guidelines were adopted as MEPC resolutions, in particular, the Guidelines for approval of ballast water management systems (G8) and the Procedure for approval of ballast water management systems that make use of Active Substances (G9), and these resolutions will be issued in due course

On Particularly Sensitive Sea Areas, or PSSAs, MEPC 53 approved the revised PSSA guidelines, which incorporated lessons learned and experience gained in the existing PSSA designation criteria with the view to providing an appropriate balance between the protection of marine ecosystems and the need to preserve the smooth flow of international seaborne trade. The revised PSSA will be submitted for adoption by the 24<sup>th</sup> Session of IMO's Assembly. I wish to inform you that there are now 13 existing PSSAs and one of them, the Great Barrier Reefs, has been extended to include the Torres Strait. Thus far, no PSSA proposal in this region has been submitted to IMO for consideration by the MEPC, despite the fact that this region is one of the centres of marine biodiversity. I hope that with the implementation of the Sustainable Development Strategy, this gap can be addressed. I would like also to urge Member Governments to ratify or accede to the MARPOL Convention, the 2000 OPRC-HNS Protocol, the 2001 Anti-fouling Systems Convention and the 2004 Ballast Water Management Convention.

## **Pathway to Sustainable Development**

This Meeting will discuss, among other issues, project closure and transformation strategies to a new phase. I would like to assure the delegates from participating countries that IMO is fully committed to providing the necessary policy and administrative support to enable the successful completion of the PEMSEA Regional Programme and to ensure smooth transition into the next phase. On this latter aspect, important steps have been taken by the Programme since the 10<sup>th</sup> PSC Meeting in October 2004 towards building the Regional Implementing Mechanism of the Sustainable Development Strategy.

The groundwork on the Regional Implementing Mechanism has been initiated by the Working Group on the Regional Implementing Mechanism for the SDS-SEA, which you will consider in this Meeting, namely, the draft Partnership Agreement and Partnership Operating Arrangements. I appreciate very much the remarkable work of the Working Group in laying the foundation for the establishment of key elements of the Regional Implementing Mechanism, such as the Partnership Council, the PEMSEA Resource Facility, a regular East Asian Seas Congress and the Regional Partnership Fund.

I would like to emphasize the need for the countries to establish rapidly the Regional Mechanism as it is one of the objectives of this current Programme. It is, therefore, the time to move towards the direction of a country-driven project, with countries taking the ownership of the Sustainable Development Strategy. Your goal should be to have an agreement before the end of the current Programme.

I would like to confirm that after careful evaluation and several consultations, IMO decided not continue its role as executing agency for the Phase 3. This is mainly due to the broader multiple area focus and scope of the Sustainable Development Strategy, which is beyond the remit of the Organization. However, IMO will co-operate with the Phase 3 of PEMSEA under a new partnership arrangement, that is, an appropriate inter-agency agreement wherein IMO would concentrate in implementing the activities relating to its area of responsibilities regarding maritime safety, security and marine environment protection. I would like to assure the participating countries that IMO will continue to support all that is being done and that PEMSEA intends to do, working closely with the Regional Programme Office, the UNDP and the participating countries to establish the Regional Implementing Mechanism.

It is my sincere hope that this Meeting will favourably consider the progress and achievements made so far, reaffirming the commitments of the participating countries toward the implementation of the Sustainable Development Strategy and their contribution to the establishment and operation of the PEMSEA Resource Facility Secretariat.

In closing I would like, once again, to thank the Ministry of Environment of Cambodia for their generous hosting of the 11<sup>th</sup> Meeting of the PSC and I wish all of you a fruitful and successful meeting.

Thank you.

**Opening Remarks of H.E Dr. Mok Mareth  
Senior Minister, Minister of the Environment, Cambodia**

Dr. Chua Thia-Eng  
Dr. Andrew Hudson  
Mr. Kyo Naka  
Mr. Jean-Claude Sainlos

Distinguished delegates  
Ladies and gentlemen

On behalf of the Royal Government of Cambodia, I have the pleasure and the honor to welcome you all, the distinguished delegates from PEMSEA participating countries, UNDP and IMO, to this historic city of my country. I am thankful to you and the Regional Programme Office of PEMSEA for selecting Siem Reap as the venue for our 11<sup>th</sup> Programme Steering Committee Meeting. We are proud to play host to this very important Meeting and would endeavor to ensure that your stay here are not only comfortable but also a memorable one.

Cambodia has joined PEMSEA during its pilot phase and I personally witnessed the development and progress made by PEMSEA over the last 12 years. I might have been one of the longest staying ministers of environment who have worked with Dr. Chua Thia-Eng since he began to lead this programme in 1994. I shared the vision and approach of PEMSEA and had closely followed its activities.

Ladies and gentlemen, I would like to share my thought pertaining to why Cambodia is interested in PEMSEA's activities and why we are supporting PEMSEA's current and future endeavors.

The coastal and marine areas are important and valuable assets to a small country like Cambodia. We have a relatively shorter coastline which is 435 km long compared to those of many of our neighbors. As such, they are even more valuable to us as we depend on them for livelihoods of our coastal fisherfolks, for the development of port and harbors, maritime transportation, beach and maritime recreation, tourism and more importantly they serve as the gateway for our maritime trades. We therefore understand the values of our very limited coastal and marine habitats and the limited marine resources we have had. We want to protect and preserve these valuable natural ecosystems.

However, Cambodia urgently needs to develop its economy as a large part of its population is still living in poverty. The Government is working very hard to provide jobs, safe drinking water, sanitary facilities, and other basic infrastructure to improve the quality of life of its people. In the course of economic development, we encountered conflicts with users of natural resources, our environmental awareness are still low, environmental regulation and legislation are still not complete and we have yet to develop the necessary capability to implement the limited environmental related international instruments that we had ratified.

Ladies and gentlemen, over the last few years, Cambodia has made significant progress and it is undergoing a stage of rapid economic transformation especially after a long period of internal instability. It is at this stage of development we face tremendous pressures

to continue our economic development without compromising our limited but valuable coastal and marine ecosystems.

Given the above background, I now turn to why Cambodia is interested in PEMSEA's activities and why we wish to be a strong partner of PEMSEA.

Firstly, we have noted the progressive and dynamic approach adopted by PEMSEA in building not only political commitment in coastal and ocean governance but also its efforts in demonstrating how environmental sustainability could be achieved through on-the-ground operation by setting up demonstration sites. In the case of Cambodia, PEMSEA placed considerable emphasis on building a critical mass of trained local experts and managers and then using them to implement the various activities at the demonstration site in Sihanoukville and other national programmes. Many of these experts are now also present here in this meeting. This approach has indeed helped build confidence and local political support. Based on the knowledge and experience gained in the last five years, we are more ready to implement Integrated Coastal Management in other parts of our remaining coastline.

Secondly, many of the PEMSEA activities are directly related to on-the-ground application. We are pleased that PEMSEA has assisted us in setting up our first environmental monitoring laboratory in Sihanoukville so that regular water sampling can be made and analysed to determine the level of pollution contamination of beaches and other designated coastal areas. PEMSEA has also assisted the local government of Sihanoukville in developing coastal strategies and specific action plans and their implementation. We are pleased that PEMSEA encourages cooperation with other foreign assisted projects and programmes and thus we are able to make best utilization of the support we could obtain.

Thirdly, I wish to single out the work that has been carried out by PEMSEA in enhancing our country's capacity in oil spill preparedness and response and our participation in the sub-regional cooperation with Thailand and Vietnam against the oil spill risks in the Gulf of Thailand. The joint Oil Spill Contingency Action Plans will be signed by the three countries in due course. I am certain that such subregional approach would certainly demonstrate how concerned countries could collectively address common transboundary problems of this magnitude.

Finally, the development and adoption of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) through the Putrajaya Declaration in December 2003 is a big step in forging a common regional vision and the implementation of the SDS-SEA is in actual fact a timely response of the region to implement the Plan of Implementation of the WSSD. Cambodia considers the SDS-SEA as a very useful regional strategy that provides the region a common framework and platform for regional collaboration. It certainly provides a general framework within which Cambodia could use to strengthen its coastal and ocean governance.

The Royal Government of Cambodia would like to see PEMSEA continue to play the coordinating role for regional cooperation in the SDS-SEA implementation. In this connection, Cambodia wishes to see that the Draft Partnership Agreement and the Partnership Operating Arrangements developed by the Working Group can be endorsed and adopted at the next Ministerial Forum of the East Asian Seas Congress.



We also support the follow-on phase of PEMSEA and the strategic partnership it has developed with the World Bank and GEF for the implementation of the SDS-SEA. We would like to see that the implementation of the SDS-SEA will result in our enhanced capacity for national coastal and marine policy development, further expansion of the ICM, and increased investment and sustainable financing opportunities for resource conservation and provision of safe drinking water and sanitary conditions for our people.

Ladies and gentlemen, this 11<sup>th</sup> PSC meeting has a role in the history of PEMSEA's development. It not only takes stock of the knowledge, experience and lessons learned from the past 12 years of operation but also has to bring about a change that would effectively transform current project-based efforts into a longer term regional implementing mechanism that continue to guide and foster the implementation of the SDS-SEA.

Whilst we continue to look towards GEF, UN agencies and donors to support the regional efforts in implementing the SDS-SEA, we also recognize the increasing need for each country to develop its own national programmes of action to undertake related planned activities within its own jurisdictional boundary. It is also important for each country to play its partnering role in ensuring a functional regional secretariat that would continue to provide technical and policy guidance and secretariat services in particular in addressing transboundary environmental issues that threaten the sustainable development of our coasts and oceans.

Cambodia supports the on-going efforts in mobilizing national and external resources to support the regional secretariat and would make every effort to support this initiative despite its very limited financial resources. For countries like Cambodia, we have limitations, but there are many other ways, we could make good and significant contributions, such as hosting meetings, supporting participation of our nationals in PEMSEA activities and various other ways of support, and of course the best way is to ensure that we implement our related national programmes well and efficiently.

Before I conclude this opening remarks, I would like to welcome all of you once again to our beloved culturally-rich Kingdom of Cambodia! I wish all of you a productive, enlightening and very pleasant stay in this historic city of Siem Reap. Let's join our efforts in making this Meeting a success.

Thank you.

## **ANNEX 3**

### **List of Documents**

**11th Programme Steering Committee Meeting  
 01 – 04 August 2005  
 Siem Reap, Cambodia**

**List of Documents**

<b>ITEM NO.</b>	<b>AGENDA ITEM</b>	<b>DOCUMENT</b>	<b>DOCUMENT NUMBER</b>
1.0	Organizational Matters	List of Documents	PSC/05/DOC/01
		Provisional List of Participants	PSC/05/DOC/02
2.0	Adoption of Provisional Agenda	Provisional Agenda	PSC/05/DOC/03
		Annotated Provisional Agenda	PSC/05/DOC/04
3.0	Rules of Procedure of the Meeting		
4.0	Regional Programme Director's Report	Regional Programme Director's Report	PSC/05/DOC/05
4.1	Matters Arising from the 2004 Tripartite Review Session	Report on the Recommendations of the 2004 TPR Session	PSC/05/DOC/06
5.0	Report of the Working Group on the Regional Implementing Mechanism for the SDS-SEA	Recommendations of the Working Group on the Regional Implementing Mechanism for SDS-SEA	PSC/05/DOC/07
5.1	Partnership Agreement on the Implementation of SDS-SEA	Partnership Agreement on the Implementation of SDS-SEA	PSC/05/DOC/08
5.2	Partnership Operating Arrangements for the Implementation of SDS-SEA	Partnership Operating Arrangements for the Implementation of the SDS-SEA	PSC/05/DOC/09
5.3	National and Regional Consultations		
6.0	SDS-SEA Implementation		
6.1	Executive Summary for the GEF/UNDP Project on the Implementation of SDS-SEA	Executive Summary for the GEF/UNDP Project on the Implementation of SDS-SEA	PSC/05/DOC/10
6.2	Co-financing for the PEMSEA Resource Facility Secretariat Services	Co-financing for the PEMSEA Resource Facility Secretariat Services	PSC/05/DOC/11
6.3	GEF Strategic Partnership for the SDS-SEA Implementation	GEF Strategic Partnership for the SDS-SEA Implementation	PSC/05/DOC/12

ITEM NO.	AGENDA ITEM	DOCUMENT	DOCUMENT NUMBER
		Cambodia	PSC/05/DOC/14
		China	PSC/05/DOC/15
		Indonesia	PSC/05/DOC/17
		Japan	PSC/05/DOC/18
		Malaysia	PSC/05/DOC/19
		Philippines	PSC/05/DOC/20
		RO Korea	PSC/05/DOC/21
		Singapore	PSC/05/DOC/22
		Thailand	PSC/05/DOC/23
		Vietnam	PSC/05/DOC/24
8.0	EAS Congress 2006 and Ministerial Forum	The East Asian Seas Congress 2006	PSC/05/DOC/25
9.0	Project Closure and Transformation Strategies to New Phase		
9.1	Terminal Evaluation	Terminal Evaluation	PSC/05/DOC/26
9.2	Transformation Strategies	Strategies for PEMSEA's Transformation into a Regional Implementing Arrangement for the SDS-SEA	PSC/05/DOC/27
9.3	Project Account Closure and Equipment Turn-Over		
9.4	Executing Agency		
9.5	Project Leadership and Project Team		

## **ANNEX 4**

### **11th PSC Agenda**

**11th Programme Steering Committee Meeting**  
**Apsara Angkor Hotel**  
**Siem Reap, Cambodia**  
**01 – 04 August 2005**

**MEETING AGENDA**

**TRIPARTITE REVIEW SESSION**

**1 August 2005 (Monday)**

08:00	Registration
09:00	Opening Ceremony
09:20	Group Photo
09:30	1.0 Organizational Matters
	1.1 Election of Co-Chairperson and Rapporteur
	1.2 Other Organizational Matters
	2.0 Adoption of Provisional Agenda
	3.0 Rules of Procedure of the Meeting
10:00	Coffee Break
10:30	4.0 Regional Programme Director's Report
	4.1 Matters Arising from the 2004 Tripartite Review Session
11:30	5.0 Report of the Working Group on the Regional Implementing Mechanism for the SDS-SEA
	5.1 Partnership Agreement on the Implementation of SDS-SEA
	5.2 Partnership Operating Arrangements for the Implementation of SDS-SEA
	5.3 National and Regional Consultations
12:30	Lunch
14:00	Continuation of Agenda Item 5.0
15:30	Coffee Break
16:00	Continuation of Agenda Item 5.0

18:00	Close of Session
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**2 August 2005 (Tuesday)**

09:00	6.0	SDS-SEA Implementation
	6.1	Executive Summary for the GEF/UNDP Project on the Implementation of SDS-SEA
	6.2	Co-financing for the PEMSEA Resource Facility Secretariat Services
	6.3	GEF Strategic Partnership for SDS-SEA Implementation
10:30		Coffee Break
11:00	7.0	Country Statements
12:30		Lunch
14:00	8.0	EAS Congress 2006 and Ministerial Forum
14:30	9.0	Project Closure and Transformation Strategies to New Phase
	9.1	Terminal Evaluation
	9.2	Transformation Strategies
	9.3	Project Account Closure and Equipment Turn-Over
	9.4	Executing Agency
	9.5	Project Leadership and Project Team
16:00		Coffee Break
16:30		Continuation of Agenda 9.0
18:00		Close of Session

**3 August 2005 (Wednesday)**

09:00	Continuation of Agenda 9.0
10:00	10.0 Other Business
10:30	11.0 Conclusions and Recommendations
11:30	Close of Session
12:00	Lunch and Field Trip

**4 August 2005 (Thursday)**

09:00	Field Trip
12:00	Lunch
14:00	12.0 Adoption of the 11 <sup>th</sup> PSC Meeting Report
15:00	Coffee Break
15:30	Continuation of Agenda Item 12.0
16:30	Closing Ceremony

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## **ANNEX 5**

### **PARTNERSHIP AGREEMENT ON THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT STRATEGY FOR THE SEAS OF EAST ASIA**

**PARTNERSHIP AGREEMENT  
ON THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT  
STRATEGY FOR THE SEAS OF EAST ASIA**

**Ministerial Forum, East Asian Seas Congress**

**Hainan, the People's Republic of China, December 2006**

1. We, the representatives of the countries of the Seas of East Asia region, have gathered together to establish implementing arrangements for the *Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)*, building upon the foundation laid down in the *Putrajaya Declaration*. On 12 December 2003, this Forum adopted the SDS-SEA, through the *Putrajaya Declaration*, as the Region's common platform for achieving the goals and objectives of the *World Summit on Sustainable Development Plan of Implementation* and the *United Nations Millennium Development Goals* concerning sustainable coastal and ocean development. The *Putrajaya Declaration* is the first regional expression of commitment to the implementation of SDS-SEA.
2. We recognize the importance and urgency of putting into effect the SDS-SEA in order to sustain the resources provided by our seas. In this regard, we consider our cooperation for the SDS-SEA implementation as an essential part of the regional economic cooperation and integration.
3. Over the past decades, advocacy, political commitments and conservation efforts have been undertaken at national and regional levels. However, the environment of the Seas of East Asia continues to degrade at an increasing pace. One of the important concerns imparted by the tsunami which swept across the Indian Ocean on 26 December 2004 is how to prevent our people and coasts from being caught unprepared, thereby avoiding such devastating consequences. To arrest the trend of further degradation and to minimize both human and nature induced threats against our shared resource base, people's lives and properties is far more challenging than mere natural disaster response.

**Long-Term Partnership for the SDS-SEA Implementation**

4. We believe that participation in the SDS-SEA implementation by all the countries and other stakeholders, within their respective capacities and resources, holds the key to confronting the challenges facing us. In the past, intergovernmental arrangements have placed the responsibility for environmental and resource management primarily on government, with other users and beneficiaries of those resources functioning primarily as interested observers. The partnership approach encourages all stakeholders to work together as complements of each other, to act dynamically and in a coordinated manner to bring into full play the role of each stakeholder within the framework of the SDS-SEA.
5. We consider partnership as an effective mechanism to facilitate concerted actions in our common endeavor to implement the SDS-SEA as it gives due consideration to

the initiatives, shared responsibilities, desired outcomes, mutually supportive roles and the need to address disparities in capacity among the concerned countries and other stakeholders, including national and local governments, international agencies, non-government organizations (NGOs), the private sector, academic and scientific institutions, communities, financial institutions and donor agencies.

6. In this context, we are committed to forging a long-term stakeholder partnership for the implementation of the SDS-SEA. We encourage paradigm shifts, in management concept and action, from single-sector or single-purpose interventions to integrated coastal and ocean governance, from crisis-driven response to long-term capacity-building efforts, and from planning to ground-level implementation.

### **Priority Targets for SDS-SEA Implementation**

7. We agree on and commit ourselves to the following priority targets for the implementation of the SDS-SEA:
  - a. Mobilization of the necessary resources, capacities and services, as well as legal, financial and economic arrangements, including the adoption of a rolling ten-year regional partnership programme and the production of a regional State of the Coasts report by 2009, building on the existing relevant national and regional initiatives and programmes.
  - b. Formulation and implementation of national policies and action plans for sustainable coastal and ocean development in at least 70 percent of the participating countries by 2015, in order to develop and strengthen integrated coastal and ocean governance at the national level.
  - c. Implementation of integrated coastal management (ICM) programmes in at least 20 percent of the Region's coasts by 2015, to achieve the sustainable development of coastal lands and waters and to promote intra-and inter-regional partnerships in ICM capacity building.

### **Regional Implementing Mechanism for the SDS-SEA**

8. We are heartened to see tangible outcomes achieved by the Global Environment Facility/United Nations Development Programme/International Maritime Organization Regional Programme on Building Partnerships in the Environmental Management for the Seas of East Asia (PEMSEA). Over the past decade, through its pilot and present phases, PEMSEA has put in place and extended on-the-ground integrated coastal and marine management mechanisms and processes for bridging resource sustainability and economic growth; mobilized stakeholder involvement and support; promoted public and private sector partnership processes; and contributed to the formation of critical masses of expertise on the regional, national and local levels in addressing priority coastal and marine issues in policy, science and financing.
9. We have noted in particular that these efforts have led to, in many of the program sites, the reduction of multiple use conflicts, the improvement of environmental quality,

the restoration of damaged habitats, beach cleanup, and the protection of endangered species such as marine mammals and sea birds. In addition, PEMSEA has catalyzed the concerted efforts by the countries of the Region, regional and international organizations, NGOs, concerned programmes, and financing and donor institutions in the formulation of the SDS-SEA. Furthermore, PEMSEA is actively engaged in the coordination of efforts by the countries of the Region in the implementation of the SDS-SEA through the provision of technical guidance and assistance, as well as the promotion of bilateral and multilateral cooperation. In addition, PEMSEA has demonstrated itself as an effective collaborative mechanism in promoting partnership on the local, national and regional levels.

10. We recognize PEMSEA as the regional coordinating mechanism for the implementation of the SDS-SEA and resolve to transform PEMSEA from the existing project-based arrangement to a self-sustained and effective regional collaborative mechanism with a mandate to pursue the implementation of the SDS-SEA through collaborative, synergistic and responsible actions and the accomplishment of our individual commitments. For this purpose, we agree to adopt and implement, within the framework of PEMSEA, the *Partnership Operating Arrangements for the Implementation of the SDS-SEA*, particularly with regard to:
  - a. An East Asian Seas (EAS) Partnership Council which will provide the policy and operational guidance for, as well as steer, monitor and review the progress of, SDS-SEA implementation;
  - b. A PEMSEA Resource Facility, which will provide two services in support of SDS-SEA implementation, namely:
    - i. Secretariat services to the EAS Partnership Council, overseeing the implementation of Council decisions, the organization of the EAS Congress, and monitoring and reporting on the progress of SDS-SEA implementation; and
    - ii. Technical support services to PEMSEA countries, including delivery and mobilization of policy and technical advice, capacity building and technical support for sustainable coastal ocean governance;
  - c. A Regional Partnership Fund to channel and ensure the best use of voluntary contributions from interested countries, donor agencies, institutions and individuals; and
  - d. An EAS Congress to be held every three years to serve as a vehicle for various stakeholders, partners and the collaborators in the SDS-SEA to share knowledge and monitor the progress of SDS-SEA implementation.

### **Follow-up Actions**

11. Within the next three years, we will undertake the following actions and report on the results at the EAS Congress 2009:

- a. Developing work plans, mobilizing resources and support, and undertaking concrete measures and steps to achieve the priority targets and *the Partnership Operating Arrangements for the Implementation of the SDS-SEA* as stated above, based on our respective international obligations, national laws and capacities, as well as in consultation and cooperation with our collaborators in the SDS-SEA and other interested parties.
- b. Forging collaborative arrangements between and among various stakeholders to enhance and make the best use of the Region's intellectual capital for integrated management and sustainable uses of coastal and marine environment and natural resources, through stakeholder participation and networking, as well as scientific, technical and information support.
- c. Enhancing our efforts on coastal and marine water pollution reduction at the national and regional levels, particularly for achieving time-bound wastewater emission targets and sustainable access to safe drinking water and sanitation in pollution hotspots.
- d. Establishing innovative financing mechanisms, with a view to leveraging private sector investment and public-private sector partnerships, in collaboration with interested financing institutions and other stakeholders.
- e. Fostering collaboration, cooperation and partnership between PEMSEA and other relevant regional and international organizations, initiatives and programmes, in order to minimize duplication of efforts and enhance synergy among them.
- f. Developing and strengthening national interagency, multisectoral and multidisciplinary mechanisms and processes for facilitating the implementation of the SDS-SEA, taking into account specific national and local concerns and needs.
- g. Promoting public awareness and stakeholder involvement to ensure broad based participation in the SDS-SEA implementation at the local, national and regional levels.

We thank the People's Republic of China for her hospitality and tremendous efforts in making our Forum a success.

Adopted at the East Asian Seas Congress 2006, Hainan, (Date) December 2006, in English language.

[Signatures by the national representatives of the participating countries]

## **ANNEX 6**

### **PARTNERSHIP OPERATING ARRANGEMENTS FOR THE IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT STRATEGY FOR THE SEAS OF EAST ASIA**

## **PARTNERSHIP OPERATING ARRANGEMENTS FOR THE IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT STRATEGY FOR THE SEAS OF EAST ASIA**

### **I. THE PARTNERSHIP**

1. Partnerships in the Environmental Management for the Seas of East Asia (PEMSEA) is a partnership arrangement involving all the stakeholders of the Seas of East Asia, including national and local governments, civil society, the private sector, research and education institutions, communities, international agencies, regional programmes, financial institutions and donors.
2. PEMSEA is also the regional coordinating mechanism for the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA).
3. PEMSEA's role is to facilitate the realization of the shared vision, mission, action programmes and desired changes of the SDS-SEA.
4. PEMSEA brings together the stakeholders to work as complements of each other, act dynamically and in a coordinated manner bring into full play the role of each stakeholder within the framework of the SDS-SEA.

### **Objectives**

5. The objectives of the Partnership are to:
  - a) Strengthen consensus among partners on approaches and strategies for addressing the identified threats to the environment and sustainable development of the Seas of East Asia;
  - b) Build confidence among partners through collaborative projects and programmes;
  - c) Achieve synergies and linkages in implementing the SDS-SEA among partners; and
  - d) Reduce in-country and regional disparities in capacities for sustainable coastal and ocean development and management.

### **Scope**

6. The Partnership addresses priority concerns challenging the sustainable development of the Seas of East Asia region, including the five large marine ecosystems, namely the Yellow Sea, the East China Sea, the South China Sea, the Sulu-Celebes Sea, and the Indonesian Seas, their associated coastal lands and waters, and their interconnections with river basins and straits. Special attention is given to those concerns that cut across legal and administrative boundaries.<sup>1</sup>

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<sup>1</sup> Subject to verification as to the inclusion of the Gulf of Thailand as an LME.

7. The Partnership encourages the active participation in, and support for, the implementation of SDS-SEA by all the stakeholders, as well as the implementation of their individual programmes and actions that are consistent with the SDS-SEA.

## **II. THE PARTNERS**

8. The Partners are, subject to paragraphs 16-18 on inclusion of Partners, the following:
  - a) National governments of the Seas of East Asia region;
  - b) Local governments in the region;
  - c) Communities in the region;
  - d) Non-government organizations (NGOs) and other members of civil society in the Region;
  - e) Research and educational institutions;
  - f) The private sector;
  - g) UN and international agencies and financial institutions that support or sponsor the implementation of the SDS-SEA;
  - h) Concerned regional and global programmes; and
  - i) Other countries using the Seas of East Asia region
9. The Partners observe the following practices:
  - a) Work together in the spirit of partnership;
  - b) Seek actions that advance the goals of the Partnership without compromising the interests of individual Partners;
  - c) Strengthen communication and dialogue with each other regarding activities affecting the implementation of the SDS-SEA;
  - d) Undertake activities and honor schedules collectively agreed upon by the Partnership;
  - e) Act in a spirit of mutual assistance, good neighborliness and complementarity towards achieving the common goals; and
  - f) Exercise flexibility and take adaptive measures when needed.

### **Rights of Partners**

10. Partners have the following rights:
  - a) To participate, as provided in paragraphs 20-36, in the EAS Partnership Council;
  - b) To participate in the EAS Congress, the Regional Networks, and other activities and forums of PEMSEA, subject to the rules of these activities;
  - c) To access the opportunities offered by the partnership arrangements for SDS-SEA implementation;
  - d) To access PEMSEA's technical and secretariat services and information products; and
  - e) To participate in PEMSEA's knowledge sharing network.



## **Roles of Partners**

11. All Partners participate in the regional collaborative efforts to implement the SDS-SEA, and ensure that their individual programmes and actions are consistent with the SDS-SEA.
12. All Partners contribute to the regional endeavor to implement the SDS-SEA and support their respective representatives to attend the EAS Partnership Council meetings, meetings of the regional networks, and EAS Congresses, within their capacities.
13. The specific roles for the Partners are provided in the SDS-SEA.
14. The following Partners will convene the first EAS Partnership Council Meeting:
  - a) The countries of the East Asian Seas region who signed the Partnership Agreement; and
  - b) Other relevant international and bilateral entities who signed the Partnership Operating Arrangements.
15. Other countries of the East Asian Seas region can join the EAS Partnership Council by signing the Partnership Agreement.

## **Inclusion of Partners**

16. Other stakeholders who are not yet Partners but are interested in participating in the implementation of the SDS-SEA may request for inclusion as a Partner of PEMSEA by sending a written notification to the Executive Director of the PEMSEA Resource Facility of:
  - a) its adherence to the Partnership Agreement and the Partnership Operating Arrangements, and the policies and decisions of the Council; and
  - b) agreeing to enter into a partnership arrangement with PEMSEA through a Memorandum of Agreement on the implementation of the SDS-SEA,
17. Upon receiving the required written notification from the stakeholder, the PRF Executive Director will submit a report concerning the request to the next meeting of the Executive Committee, together with the relevant information on the requesting stakeholder. The Executive Committee will decide whether or not to include the requesting stakeholder as a partner of PEMSEA.
18. The EAS Partnership Council may modify the qualifications and procedures for the inclusion of Partners and withdrawal by Partners when it deems appropriate.

### **III. MAJOR OPERATING MECHANISMS**

19. PEMSEA consists of four major operating mechanisms: the EAS Partnership Council, the PEMSEA Resource Facility, the Regional Partnership Fund and the EAS Congress.

#### **EAS Partnership Council**

##### ***Nature of Council***

20. The Council is a regular body composed of all Partners, as defined in Section II, paragraph 8 of this document.
21. The East Asian Seas (EAS) Partnership Council formulates both program and operational policy in support of the implementation of the SDS-SEA, based on policy direction, recommendations and commitments provided by the Ministerial Forum, EAS Congress, and other Partners.

##### ***Council Composition***

22. The Council has an Executive Committee and two types of sessions, an Intergovernmental Session and a Technical Session.
23. The Council elects a Chair to a three-year term. The Council Chair is the Chair of the Executive Committee and will sit in the Intergovernmental Session and the Technical Session *ex officio*.
24. The Intergovernmental Session and Technical Session elect their respective Session Chairs to a three-year term, who also serve as members of the Executive Committee.
25. Nominations for the positions of Council Chair and Session Chairs will be in accordance with the criteria and guidelines as established by Council.
26. The Executive Director of the PEMSEA Resource Facility serves as the Secretary of the Council and of the Executive Committee.

##### ***Executive Committee***

27. The Executive Committee, comprised of the Council Chair, the Session Chairs, and the Secretary, act as officers of the EAS Partnership Council.
28. The Executive Committee ensures and oversees the implementation of the decisions of Council, and reports to the Council.
29. The Executive Committee will develop and adopt its terms of reference.

##### ***Intergovernmental Session***

30. The Intergovernmental Session is composed of the duly designated representatives of the Partner countries of the Seas of East Asia region.
31. The Intergovernmental Session may formulate guidelines concerning the participation of other Partners in the Session, as it deems appropriate.
32. The Intergovernmental Session considers the recommendations of the Technical Session, and provides policy guidance, coordination, and evaluation of the progress of the SDS-SEA implementation.

### ***Technical Session***

33. The Technical Session is composed of the duly designated representatives of the Partners.
34. The Technical Session, preceding the Intergovernmental Session, discusses issues, submissions and topics related to the scientific, technical and financial aspects of SDS-SEA implementation, partnership opportunities, collaborative research, capacity building and knowledge sharing, and makes recommendations to the Intergovernmental Session as appropriate.

### ***Council Meetings***

35. The Council convenes every eighteen months, and makes decisions on a consensus basis.
36. The Council formulates and adopts rules of procedure, including consensus building and conflict resolution.
37. The Technical Session and Intergovernmental Session will develop their respective terms of reference.

### **PEMSEA Resource Facility**

38. The PEMSEA Resource Facility (PRF) has two functions:
  - a) Providing Secretariat Services; and
  - b) Providing Technical Services.
39. The PRF Secretariat Services performs the following functions:
  - a) Providing secretariat support to the EAS Partnership Council, the Executive Committee, the Ministerial Forum, the Regional Partnership Fund and the EAS Congress;
  - b) Facilitating knowledge transfer and capacity building;
  - c) Preparing proposals for new initiatives, and mobilizing resources for their implementation, taking into account as appropriate the business plan and marketing strategy of the Technical Services for the implementation of the SDS-SEA;

- d) Preparing and submitting to the Council a consolidated report of the programme development and implementation, including financial statements;
  - e) Monitoring and reporting on the implementation of the SDS-SEA;
  - f) Coordinating the updating of the SDS-SEA, taking into account changing conditions, emerging issues and other related factors, on a periodic basis; and
  - g) Performing such other functions as may be assigned to it by the EAS Partnership Council.
40. PRF Technical Services performs the following functions:
- a) Developing and implementing a dynamic business plan and marketing strategy for the implementation of the SDS-SEA, in coordination with the PRF Secretariat Service in terms of project proposal development;
  - b) Providing technical, financial, investment and management services for specific projects and programmes, as appropriate;
  - c) Developing and implementing a process for recognizing and certifying good practices in the implementation of the SDS-SEA;
  - d) Recommending the operation and management of the Regional Partnership Fund to the EAS Partnership Council, and implementing the Council's decision; and
  - e) Implementing projects approved by the EAS Partnership Council.
41. The PRF is headed by the Executive Director. The Executive Director ensures the coordination between the Secretariat and Technical Services particularly in terms of programme development and implementation.
42. The PRF Secretariat is funded by voluntary contributions from the Partner countries of the Seas of East Asia region and from other available sources. The PRF Technical Services are funded through sponsored projects and programmes.

### **Regional Partnership Fund**

43. The Regional Partnership Fund, set up by the EAS Partnership Council, receives voluntary financial contributions from countries, international agencies, donors, institutions, individuals and any other entity for the implementation of the SDS-SEA.
44. The depositary of the Fund will be a sponsoring UN Agency for PEMSEA.
45. The Executive Committee ensures the best use of the Fund towards achieving the shared vision, mission and desired changes of the SDS-SEA by:
- a) Developing policies and operational guidelines governing the identification of activities to be funded, its disbursement, replenishment, management, audit, and the guidance for the countries to consider their voluntary contributions to ensure that it serves its objectives;
  - b) Ensuring that earmarked funds are properly managed for its purpose; and
  - c) Appointing a fund manager as appropriate. The appointment is reviewed every three years.
46. The Council may organize fund-raising activities, such as donors' meetings.

## **East Asian Seas Congress**

47. PEMSEA holds an East Asian Seas (EAS) Congress every three years, consisting of a Ministerial Forum, an International Conference and other related activities.
48. The Ministerial Forum of the EAS Congress provides policy directions and commitments for improving and strengthening the implementation of the SDS-SEA.
49. The International Conference serves as the forum for:
  - a) Monitoring and evaluating the implementation of the SDS-SEA;
  - b) Facilitating knowledge exchange, advocacy and multi-stakeholder participation, through sessions, workshops, side events and exhibitions, etc;
  - c) Promoting the ocean agenda as a priority programme in international and regional forums;
  - d) Promoting the development of financing mechanisms and investment opportunities for sustainable coastal and marine development;
  - e) Encouraging corporate responsibility and accountability in the business community; and
  - f) Discussing specific sectoral and cross-sectoral issues and concerns, as well as partnership arrangements for the subregional seas or environmentally sensitive areas, for the implementation of the SDS-SEA.
50. The hosting and venue of the EAS Congress will be determined by the EAS Partnership Council in consultation with the Partner countries.
51. The EAS Congress presents its conclusions and recommendations to the EAS Partnership Council for implementation.

## **IV. SUPPLEMENTAL MATTERS**

52. The official language of PEMSEA is English.
53. These Partnership Operating Arrangements and any terms of reference, operating mechanisms, and rules of procedure referred to herein may be amended, modified, superseded or terminated in whole or in part by the EAS Partnership Council.

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## **ANNEX 7**

### **RESOLUTION IN SUPPORT OF THE STRATEGIC PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT OF THE LMEs OF THE SEAS OF EAST ASIA**

**RESOLUTION**  
**IN SUPPORT OF THE STRATEGIC PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT**  
**OF THE LMEs OF THE SEAS OF EAST ASIA**

The 11<sup>th</sup> Programme Steering Committee Meeting  
Siem Reap, Cambodia, 3 August 2005

GEF/UNDP/IMO Regional Programme on Building Partnerships in Environmental  
Management for the Seas of East Asia (PEMSEA)

The countries of the East Asian Seas Region have agreed to implement the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA), with signature of the Putrajaya Declaration during the Ministerial Forum in Putrajaya, Malaysia, on 12 December 2003. The Ministerial Forum recognized that the SDS-SEA represents a new paradigm for regional cooperation, providing an overarching framework and platform for addressing transboundary issues affecting sustainable development of the large marine ecosystems of East Asia. The ministers also recognized that a long term stakeholder partnership arrangement is the effective mechanism to foster and sustain the implementation of the SDS-SEA.

Following the Putrajaya Declaration, efforts to forge strategic partnerships for the SDS-SEA implementation have been initiated through the joint efforts of GEF, UNDP, World Bank (WB) and PEMSEA. The Strategic Partnership is intended to promote and formalize operating partnership arrangements amongst concerned stakeholders, including governments, international organizations, donors, private sector and other entities from all sectors of society from within and outside of the East Asian region, to individually and collectively implement action plans contained in the SDS-SEA.

The outcome of these early efforts is an initial Strategic Partnership arrangement involving PEMSEA participating countries, GEF, UNDP, and WB to undertake two related and mutually supportive projects, namely:

- (a) GEF/UNDP/PEMSEA project on the Implementation of the Sustainable Development Strategy for the Seas of East Asia. This project focuses on facilitating the implementation of the SDS-SEA through mobilization of the necessary partnership arrangements and operating mechanisms, intellectual capital, support services and resources for achieving a shared vision of sustainable use of coastal and marine resources of the region and related targets identified in the WSSD Plan of Implementation. This will be achieved by assisting the countries to develop coastal and ocean policy reforms, scaling up integrated coastal management (ICM) programme implementation, adopting ecosystem-based management of coastal seas and their watersheds, mobilizing diversified human and financial resources especially through the promotion of environmental investments, and strengthening the information gathering and dissemination base among partners in order to enhance the participation of an informed public; and
- (b) World Bank/GEF Partnership Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia. The WB/GEF project is designed to enhance public and private sector investment in innovative and cost-effective

technical, institutional and financial mechanisms for pollution reduction within the LMEs of East Asia. The Partnership Investment Fund would: i) provide grants to eligible projects that are able to demonstrate innovative technical, institutional or financial mechanisms to combat land-based water pollution; and ii) support a Project Preparation Revolving Fund for the purpose of assisting small cities and peri-urban communities to gain access to financing sources for pollution reduction facilities and services. The grant and revolving fund mechanisms would focus on projects that have a high likelihood of replicability and scalability in a specific country or across the region. Overall, the Partnership Investment Fund would serve to leverage investments by national and local governments, international financial institutions, commercial banks, and other private sector groups, contributing to SDS-SEA objectives covering land-based pollution prevention and reduction in the LMEs of East Asia.

In view of the above, the PEMSEA Programme Steering Committee at its 11<sup>th</sup> Meeting endorses the Strategic Partnership approach to achieve a synergistic, multiplier and cumulative effect of partnership programmes and projects, as well as any other efforts that contribute to the shared vision of the SDS-SEA, as contained in the document “Strategic Partnership for Sustainable Development of LMEs of the Seas of East Asia (PSC/05/DOC/12), and therefore declares its unanimous support to:

- The GEF/UNDP/PEMSEA Project on the Implementation of the SDS-SEA as embodied in the approved Project Pipeline Concept; and
- The World Bank/GEF Partnership Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia, as embodied in the World Bank paper, Attachment 2 of PSC/05/DOC/12.

The participating governments agree to do their utmost in facilitating the application of the Strategic Partnership concept and approach at all levels in project development and implementation for the purpose of the SDS-SEA.

The participating governments also request the PEMSEA Regional Programme Office to strengthen its collaboration with the GEF, UNDP, the World Bank and other concerned partners and stakeholders in the formulation and implementation of the WB/GEF Partnership Investment Fund, and all future Strategic Partnership programmes and projects for the implementation of the SDS-SEA.

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## **ANNEX 8**

### **Strategic Action Plan for PEMSEA's Transformation into a Regional Implementing Arrangement for the SDS-SEA**

## **Strategic Action Plan for PEMSEA's Transformation into a Regional Implementing Arrangement for the SDS-SEA**

The following are proposed strategic actions to be undertaken over a 17-month period to complete the transformation in time for the new phase within the ambit of current budget available to the RPO:

### **1. Completion of all pending project activities and closure of current phase**

#### **Actions by RPO**

- organize project terminal evaluation for February-April 2006;
- complete all project activities in the field by December 2005;
- re-profile budget to ensure a smooth transition to the new mechanism;
- submit RPD's terminal report by December 2006;
- seek agreement with IMO, UNDP and GEF on account closure and extension of limited staff to oversee the closure of the account, transfer of project equipment and remaining funds, if any to the new accounts; and
- close the current project account by March 2007.

#### **Actions by Governments**

- complete all existing contracts as scheduled – no extensions to be considered;
- provide the RPO with an inventory of equipment, locations and its functional status by December 2006;
- submit a Terminal Report to the RPO by December 2005 based on a format to be provided by RPO; and
- co-operate with the Terminal Evaluation Team through provision of information and the provision of logistic support from February to April 2006.

#### **Actions by IMO/UNDP/GEF**

- Cooperate/support the closure of the current project;
- Provide guidance on the closure of the project account and turn over of equipment;
- Extend financial account closure to March 2007; and
- Extend the terms of key staff to March 2007, in order to execute the closure of the project account and the turn over of equipment and balance of funds, if any.

### **2. Development, endorsement and approval of the new GEF/UNDP Project on Implementation of the SDS-SEA**

#### **Actions by RPO**

- Submit the PDF-B application along with government endorsements by August 2005;
- Organize and conduct consultations with regional and international collaborators on the implementation of the SDS-SEA from August 2005 to April 2006;
- Prepare the draft Executive Summary, UNDP Project Document and supporting materials in consultation with participating countries, regional/international collaborators and partners by June 2006;
- Submit the draft project documentation for technical review by the GEF Secretariat, UNDP and STAP by June 2006;

- Secure government endorsements of the GEF/UNDP Executive Summary/Project document, along with Letters of Commitment for project co-financing and/or Cost Sharing Agreements, by June 2006;
- Submit the revised project documentation to GEF Secretariat, incorporating comments from the technical review, by August 2006; and
- Submit the final project documentation for GEF CEO approval, following GEF Council review and comments, Fall 2006.

#### **Actions by Governments**

- Endorse the PDF-B application by August 2005;
- Organize national interagency, multiple sector consultations on project activities for the follow-on phase from August 2005 to April 2006;
- Provide access to data/information on national baseline programs, activities and budgets, relative to SDS-SEA implementation;
- Allocate staff time to assist with the completion of the baseline analysis, including consultations among national agencies to undertake the analysis;
- Coordinate with other concerned agencies to identify component activities that the country is interested to participate in, and how such activities could be implemented;
- Identify co-financing of project activities using the format provided by the RPO by April 2006;
- Endorse the GEF/UNDP Executive Summary and Project Document by June 2006; and
- Submit Letters of Commitment for project co-financing and/or Cost Sharing Agreements by June 2006.

#### **Actions by GEF/UNDP**

- Provide advice and technical guidance to the RPO for the development and finalization of Executive Summary and Project Document for timely approval by the GEF Council in Fall 2006.

### **3. Selection of an Executing Agency for the New Project and Confirmation of Administrative/Operating Arrangements under the new Executing Agency**

#### **Actions by RPO**

- In close collaboration with UNDP and the participating governments, negotiate with the potential Executing Agency on the project management requirements of PEMSEA to ensure efficient project delivery and functional coordination and administrative arrangements; and
- Report the results to the 12<sup>th</sup> PSC Meeting, August 2006.

#### **Actions by Governments**

- Make necessary internal adjustment for the change of Executing Agency, where needed; and
- Cooperate with GEF and UNDP during the selection of the new Executing Agency.

#### **Actions by UNDP**

- Coordinate the selection of a new Executive Agency, including the negotiations with the RPO on project management requirements and administrative arrangements by June 2006;

- Facilitate the potential new Executing Agency to attend the 12<sup>th</sup> PSC meeting and the EAS Partnership Council meeting in December 2006;
- Establish a new project account by January 2007; and
- Ensure that funds are available for the continuation of the follow-on phase by January 2007.

#### **4. Operationalizing a new mechanism for the implementation of SDS-SEA**

##### **4.1 *Partnership Agreement and Partnership Operating Arrangements***

###### **Actions by RPO**

- Seek approval of the draft Partnership Agreement and Partnership Operating Arrangements by the 11<sup>th</sup> PSC in August 2005;
- Refine and submit the final version of the Partnership Agreement and Partnership Operating Arrangements for endorsement by the 12<sup>th</sup> PSC to the Ministers Forum, following national and regional consultations;
- Promote the endorsement of the Partnership Operating Arrangements by PEMSEA collaborating partners by December 2006;
- Conduct the EAS Congress 2006;
- Conduct the Ministerial Forum for adoption of Partnership Agreement and Partnership Operating Arrangement in December 2006; and
- Conduct the first meeting of the EAS Partnership Council, including election of Chairs and Executive Committee in December 2006.

###### **Actions by Governments**

- Secure national endorsement of the Partnership Agreement and Partnership Operating Arrangements through national approval processes prior to the 12<sup>th</sup> PSC meeting;
- Identify the relevant ministers to sign the Partnership Agreement at the Ministerial Forum by September 2006; and
- Mobilize active participation of policymakers, environmental and economic managers, private sectors, experts, coastal and marine research and educational institutions, media and other NGOs to participate in the EAS Congress 2006.

###### **GEF/UNDP/Executing Agency**

- Actively promote the UN and GEF projects/programmes to co-organize thematic workshops and their participation at the EAS Congress 2006.

##### **4.2 *Management Structure and Office***

###### **Actions by RPO**

- Undertake an internal review of performance efficiency and cost effectiveness of the RPO in preparation for transition to the PRF, commencing July 2005;
- Strengthen office operation and efficiency through use of IT technology (e.g., move to “paperless” office);
- Identify technical and secretariat staff requirements and the associated operating budget, in support of the new mechanism by June 2006;

- Negotiate with the host government for necessary office space, and sign a new MOA by June 2006;
- Prepare a cost-recovery plan for administrative, accounting, event management/secretarial support services by June 2006;
- Initiate a feasibility study/business plan for the establishment of a self-sustaining, technical service mechanism within the PEMSEA Resource Facility (PRF) by June 2006;
- Finalize the management structure for the new implementing mechanism by June 2006;
- Develop a functional and organizational chart for the new mechanism, including the PEMSEA Resource Facility (PRF);
- Working with UNDP and the host government, develop guidelines for secondment of staff to the PRF Secretariat, with indicative procedures by the end of 2005;
- Organize the 12<sup>th</sup> PSC meeting in August 2006, with particular focus on the new management structure; and
- Secure EAS Partnership Council approval for the PRF operation, including the implementation of a cost recovery system for specific administrative and technical support services, in December 2006.

#### **4.3 Financial Management Arrangements**

##### **Actions by UNDP and RPO**

- Finalize with UNDP the Cost Sharing Agreement (CSA) for country support to Secretariat by June 2006;
- Arrange for the transfer of funds under the CSA to a UNDP special account; and
- Finalize financial transaction arrangements, including a trust fund account for receiving government contributions, donations, and/or funds received on the basis of cost-recovery for services rendered, and the associated management procedures, with UNDP and/or the new Executing Agency by August 2006; and
- Work with PRF host government to develop guidelines for secondment of staff by the end of 2005.

##### **Actions by Governments**

- Ensure the remittance of the committed cash contributions for the PRF Secretariat Services by January 2007; and
- Formalize and execute the secondment of committed human resources for the PRF Secretariat Services by January 2007.

#### **5. Recruitment of Executive Director and Staff**

##### **Actions by RPO**

- Seek agreement with governments, GEF, UNDP and the new Executive Agency concerning the process and timing for searching/appointing an Executive Director and professional and support staff by August 2006;

- Consult with countries, UNDP, GEF and other concerned partners and stakeholders regarding the integration of the Executive Director's responsibilities (i.e., secretariat and GEF Project Manager);
- Prepare TOR for the Executive Director of the PRF;
- Identify an interim mechanism for the operation of the RPO/PRF to March 2007 or until such time as the official start-up of the new project; and
- Report the results to the 12<sup>th</sup> PSC.

**GEF/UNDP/Executing Agency**

- Recruit the Executive Director and core staff by January 2007 in close consultation with the participating governments and the RPO.

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## **ANNEX 9**

### **Contingency Plan Regarding Possible Delays in the Start of the Next Phase of PEMSEA**

## Contingency Plan Regarding Possible Delays in the Start of the Next Phase of PEMSEA

**Table 1. Potential Sources of Contingency Budget**

Sources	Amount (US\$)
1. Uncommitted Programme Budget (June 2005)*	420,000
2. Savings as a consequence of external funding	
♦ MSP-PPP	150,000
♦ GEF/UNDP PDF-B	176,500
♦ World Bank/GEF Investment Fund	28,500
<b>Total</b>	<b>775,000</b>

*\*Note : Forecast Programme Expenditure (Dec.2006) : 97.3% of total programme budget*

**Table 2. Estimated Budgetary Requirements (30 June 2007)**

Activities	Budget Requirements (US\$)
1. Staff Contracts (renewal, new)	360,000
2. Office Operations/refurbishment	100,000
3. Project closure/ equipment turnover	11,000
4. Training/Services (National/regional task force)	100,000
5. National ICM Scaling-up Program	50,000
6. State of Coasts Report (scoping, etc.)	50,000
7. Partnership Fund (governance, design)	35,000
8. AOE selection process	15,000
9. Two Executive Committee meetings	15,000
10. Mission Travel	39,000
<b>Total</b>	<b>775,000</b>