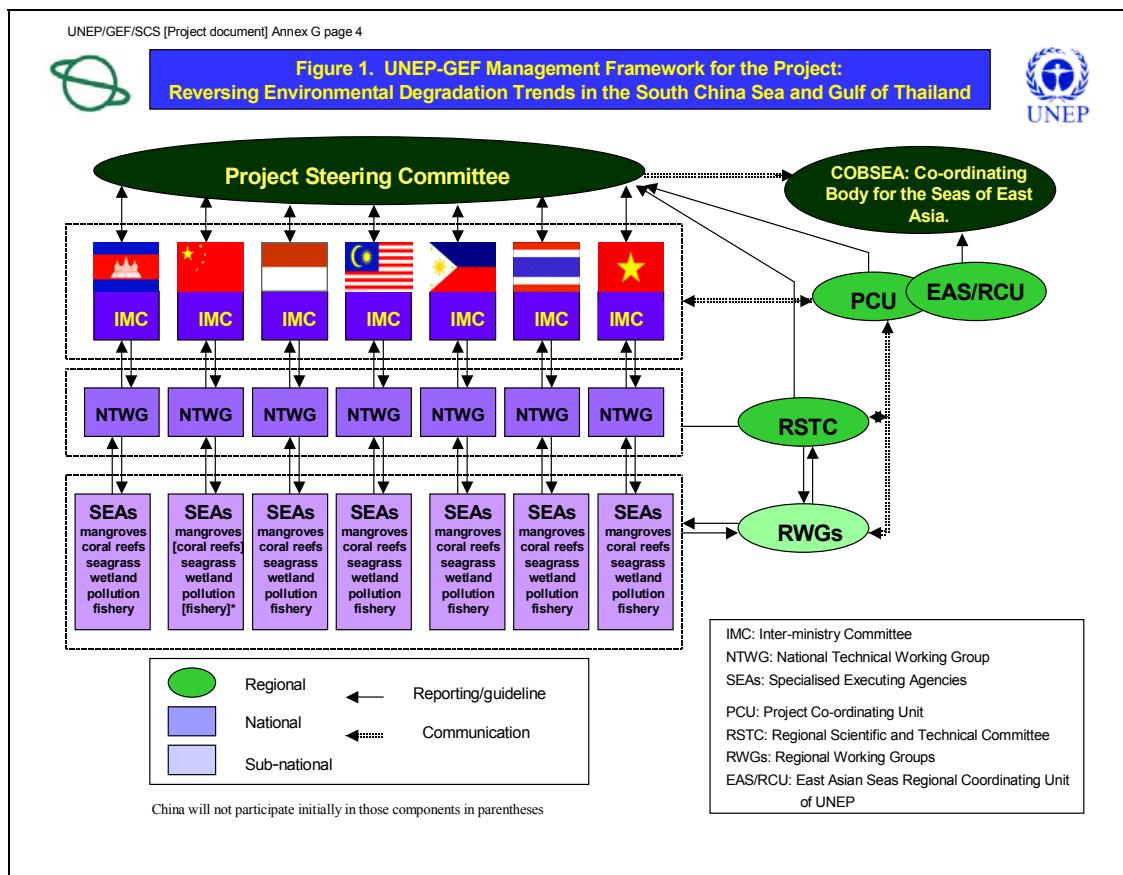




Managing Multi-Lateral, Intergovernmental Projects and Programmes, the case of the UNEP/GEF Project Entitled: “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”





First published in Thailand in 2005 by the United Nations Environment Programme.

Copyright © 2005, United Nations Environment Programme

This publication may be reproduced in whole or in part and in any form for educational or non-profit purposes without special permission from the copyright holder provided acknowledgement of the source is made. UNEP would appreciate receiving a copy of any publication that uses this publication as a source.

No use of this publication may be made for resale or for any other commercial purpose without prior permission in writing from the United Nations Environment Programme.

UNEP/GEF
Project Co-ordinating Unit,
United Nations Environment Programme,
UN Building, 2nd Floor Block B, Rajdamnern Avenue,
Bangkok 10200, Thailand.
Tel. +66 2 288 1886
Fax. +66 2 288 1094
<http://www.unepscs.org>

DISCLAIMER:

The contents of this report do not necessarily reflect the views and policies of UNEP or the GEF. The designations employed and the presentations do not imply the expression of any opinion whatsoever on the part of UNEP, of the GEF, or of any cooperating organisation concerning the legal status of any country, territory, city or area, of its authorities, or of the delineation of its territories or boundaries.

Cover Illustration: Management Framework of the UNEP/GEF Project Entitled: "Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand".

For citation purposes this document may be cited as:

UNEP, 2005. Managing Multi-Lateral, Intergovernmental Projects and Programmes, the case of the UNEP/GEF Project Entitled: "Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand". South China Sea Knowledge Document No. 1. UNEP/GEF/SCS/Inf.1

**MANAGING MULTI-LATERAL, INTERGOVERNMENTAL PROJECTS AND PROGRAMMES,
THE CASE OF THE UNEP/GEF PROJECT ENTITLED: “REVERSING ENVIRONMENTAL
DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”**

INTRODUCTION

The management of comprehensive and extensive, multi-lateral and multi-national programmes and projects in the field of coastal and ocean management poses numerous organisational problems encompassing co-ordination between the actions of individual participating countries and interventions that are designed to address issues as diverse as: biological diversity conservation and sustainable use; fisheries management; maritime transport; and the control of land based pollution. Whilst the substantive issues and problems that are to be addressed during project implementation are generally well analysed and the potential solutions are generally identified based on sound scientific knowledge and information, less attention is all too frequently paid to the management structure that will ensure coherence and co-ordination of the interventions once the programme or project is under implementation.

The project entitled “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand is funded by the Global Environment Facility (GEF) and implemented by the United Nations Environment Programme (UNEP) in partnership with seven riparian states bordering the South China Sea¹. A brief history of the development of the project is provided in Appendix A. Planning commenced in 1996 and the project became fully operational in February 2002.

The Project is complex since it addresses three priority areas of concern identified in the Transboundary Diagnostic Analysis (TDA)², (Talaue-McManus, 2000) namely the loss and degradation of coastal habitats, over-exploitation of fisheries in the Gulf of Thailand, and land-based pollution. Of these three substantive project components the first, relating to habitat degradation and loss is the largest, being divided into four sub-components. The fourth component of the project is that concerned with regional co-ordination including facilitation of national level execution and securing inter-country agreement on project related matters. The financial appropriations approved by the GEF Council are presented in Table 1, where it can be seen that the allocations from all sources for the priority habitats (mangroves, coral reefs, seagrass and wetlands) total just over 21 million US dollars or 63% of total project costs. The allocation for mangrove related activities was greater than all other components and sub-components.

Table 1 Project budget summary and component financing in million US\$.

Project Activities	GEF	Co-financing		Grand Total
		Governments	Other Sources	
1. Habitat Degradation & Loss				
1.1 Mangroves	2.733	2.374	1.585	6.692
1.2 Non-oceanic Coral Reefs	2.587	2.326	1.560	6.473
1.3 Seagrass	2.529	2.305	1.585	6.419
1.4 Wetlands	0.975	0.400	0.082	1.457
2. Over-exploitation of fisheries in the Gulf of Thailand	1.650	0.735	0.960	3.345
3. Land-based Pollution	1.760	0.461	0.110	2.331
4. Project Co-ordination and Management	3.580	0.294	0.505	4.379
EA Overheads	0.600			0.600
Project Total	16.414	8.895	6.622	31.931
PDF-B	0.335	0.176	0.076	0.587
Grand Total	16.749	9.071	6.698	32.518

¹ Cambodia, China, Indonesia, Malaysia, Philippines, Thailand and Viet Nam.

² All project related documents cited in this paper can be found on the project website at www.unepscs.org.

The project was designed to be implemented over a period of five years and involved the signing of Memoranda of Understanding (MoUs) between UNEP as the GEF Implementing Agency and seven focal Ministries, (the Ministries responsible for Environment in each country) and thirty-one Specialised Executing Agencies (SEAs) in the seven participating countries, each responsible for one component or sub-component³. These institutions and organizations comprise fourteen government departments, eleven research institutions, five universities and one Non-Governmental Organisation (NGO). The extent of stakeholder involvement to date is only partially reflected by these MoUs concluded between UNEP and the Specialized Executing Agencies. A number of the SEAs have also established institutional sub-contractual links with other organizations at the national level, such that the network of institutions directly involved to the project has expanded to in excess of one hundred, whereas the number of institutions indirectly involved through individual participation on National Committees and Sub-committees and Regional Working Groups exceeds four hundred. These kinds of linkage facilitate wider stakeholder involvement of local and national NGOs and provincial and local government agencies in the project, which is anticipated to grow as the demonstration sites become operational.

At the time that the project became operational some concerns were expressed by individuals directly involved in project execution at the national level, and others implementing other GEF projects both in the region and outside that, the management framework was too complex that, it involved too many committees and groups (52 national and 8 regional committees and working groups), and was consequently too large, unwieldy and involved too many regional co-ordination or, transaction costs (4.4 million US dollars or 13.5% of total project costs). The regional co-ordination costs include the costs of convening some 16 regional meetings per year for the first two years and around 10 per year thereafter, together with the costs of the Project Co-ordinating Unit.

Two years later, by the time of the convening of the first Regional Scientific Conference in February 2004 there was near universal agreement amongst the individuals and institutions participating in the project that not only was the framework operational⁴ but that it provided unexpected benefits particularly at the national level, and enabled all individuals to comprehend the manner in which their own actions related to those of others involved in different components and activities within the project.

THE MANAGEMENT FRAMEWORK

The Project Brief as approved by the fifteenth meeting of the Coordinating Body on the Seas of East Asia (COBSEA⁵) and the Sixteenth meeting of the GEF Council formally established the Project Steering Committee (PSC) for the UNEP/GEF Project entitled *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. This committee was established as *“the supreme decision-making body of the project,”* and is responsible for *“reviewing and approving, on an annual basis, project activities, including the location of demonstration sites to be funded by the GEF project”*. (UNEP, 2000b, Appendix)

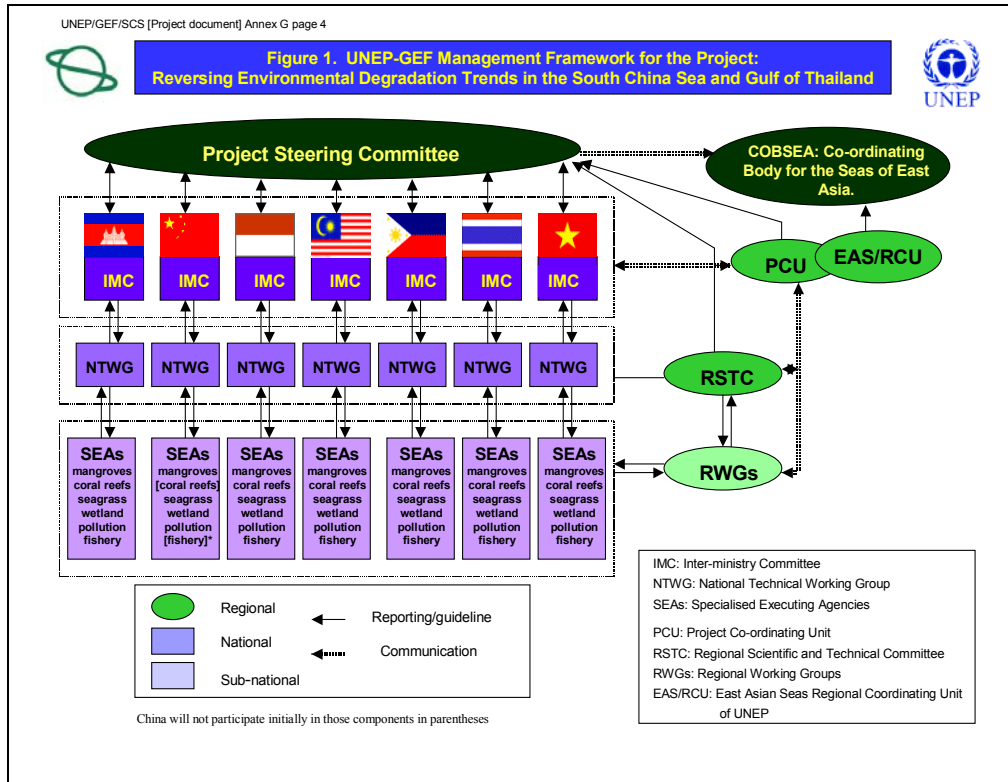
³ In the case of Cambodia the limited human capacity in the country resulted in the coral reef and seagrass sub-components being combined under responsibility of a single Specialised Executing Agency, the Department of Fisheries. The mangrove and wetlands sub-components were similarly combined resulting in the creation of only four rather than six national committees in Cambodia.

⁴ In Section 5.2.7 the mid-term review states: *“Figure 1 that was prepared by UNEP/DGEF and adopted within the project has stood the test of time and served the project remarkably well. It specifies the hierarchy of administration and management procedures within the project, the identities and subject topics of the Regional Working Groups in relation to each of the component activities, and the overall consultative mechanisms incorporated into the project. What is particularly pleasing is that the import of this organogram appears to be universally accepted and understood by those involved in project implementation. This was abundantly evident during the Regional Scientific Conference held in Bangkok in February 2004 within which there was wide discussion of all aspects of the project. At no point during this meeting was there evidence of any confusion over the responsibilities of each of the bodies created within the project, disagreements or misunderstandings of the roles and responsibilities of these bodies, or any lack of recognition and acceptance of the de facto jurisdiction of the Project Steering Committee. During the Regional Scientific Conference the supportive and advisory role played by the PCU was in clear evidence and evidently appreciated by the participants. It should also be noted that, in discussions with the Chinese scientists and officials participating in the project, there is a unanimous high regard for the project structure. In their view, consensus has been reached largely on scientific merit and/or sound reasoning at all levels within the project.”*

⁵ COBSEA = The Co-ordinating Body for the Seas of East Asia, an intergovernmental forum of, presently 10 member countries, established by UNEP in 1981 and designated by the then 5 member countries as a means to execute the East Asian Seas Action Plan (UNEP, 1981) COBSEA was at that time congruent with the ASEAN Expert Group on the Environment (Para 36 of UNEP, 1981).

The wide ranging and comprehensive nature of the proposed activities necessitate the creation of regional and national management structures that support the Project Steering Committee in the achievement of this overall responsibility. Such structures must also ensure that decisions of the Project Steering Committee are based on country requirements and priorities and reflect the requirements of the GEF that, activities achieve regional and global environmental benefits. The overall framework is illustrated in Figure 1⁶, which outlines the national and regional level structures and their relationships to one another.

The responsibilities of the Project Steering Committee are further amplified in Paragraph 40 of the Project Brief which states: “The Project Steering Committee’s primary responsibility will be to ensure synergy and integration in the planning and execution of the project sub-components.”



Regional Level Co-ordination

At the regional level, the structure includes six regional working groups that reflect the primary components and sub-components of the project, namely mangroves, coral reefs, seagrass, wetlands, land-based pollution and fisheries. Each working group is composed of the national focal points for the component or sub-component from each of the seven countries, together with up to four internationally recognised experts from the region. Each group has agreed Terms of Reference (UNEP, 2001a, Annex VIII) and a set of Rules of Procedure, which state that each group shall elect its’ own Chairperson, Vice-Chairperson and Rapporteur from among the members. The Officers serve for one year with the possibility of being re-elected for one further year. The regional working groups were responsible for developing criteria during the first phase of the project (2002 to 2004) that were used in the selection of the various demonstration activities to be executed during the operational phase of the project (2005-2007). In addition, the working groups were responsible for assembling information and data, for inputting these into a regional GIS and meta-database, and for conducting the analyses required to demonstrate the regional and global importance of the demonstration sites proposed to the Project Steering Committee.

⁶ Figures 1, 2 and 3 of this document are taken unchanged from Annex G of the project document (UNEP, 2001a).

To ensure that the results of each working group are mutually supportive and that the recommendations and activities do not result in overlap or conflict, a Regional Scientific and Technical Committee, was created. The membership of this committee consists of the Chairpersons of the six regional working groups, the chairpersons of the seven National Technical Working Groups and up to six additional senior marine and social scientists of recognised international standing drawn from the participating countries. The primary function of this committee is to provide sound scientific and technical advice to the Project Steering Committee. Terms of Reference for this group and rules of procedure were approved by the Project Steering Committee (UNEP, 2001a. Annex VIII); the members elect the officers annually.

The Regional Task Forces

The Terms of Reference for each of the national bodies provide guidance regarding the types of individuals and/or organisations that should be included amongst the membership of each body. Thus it was envisaged that the national committees having responsibility for executing each component in the country would include legal specialists and economists to provide appropriate inputs during the work of the national committees. It became apparent quite early on during project execution that the focal points responsible for constituting the national committees had difficulty in identifying appropriate specialists, and outputs were correspondingly weak in the areas of economic valuation and legal instruments.

In recognition of this problem the Regional Scientific and Technical Committee recommended to the Project Steering Committee that two Regional Task Forces be created one on legal matters (RTF-L) and one on economic valuation (RTF-E) constituted by nomination of experts from each participating country. The Project Steering Committee approved the creation of these two additional bodies in December 2002 just eleven months following the commencement of project activities each, has specific terms of reference and work-plans designed to complement and strengthen the work of the national committees and regional bodies. In discharging their responsibilities under the terms of reference the Task Forces provide direct advice regarding national levels of analysis in each area of the project to the national committees and sub-committees whilst at the same time providing advice regarding the regional level of analysis to the Regional Scientific and Technical Committee and the Project Steering Committee. The membership of the RSTC has been amended to include the chairpersons of the two regional task forces.

The Project Co-ordinating Unit

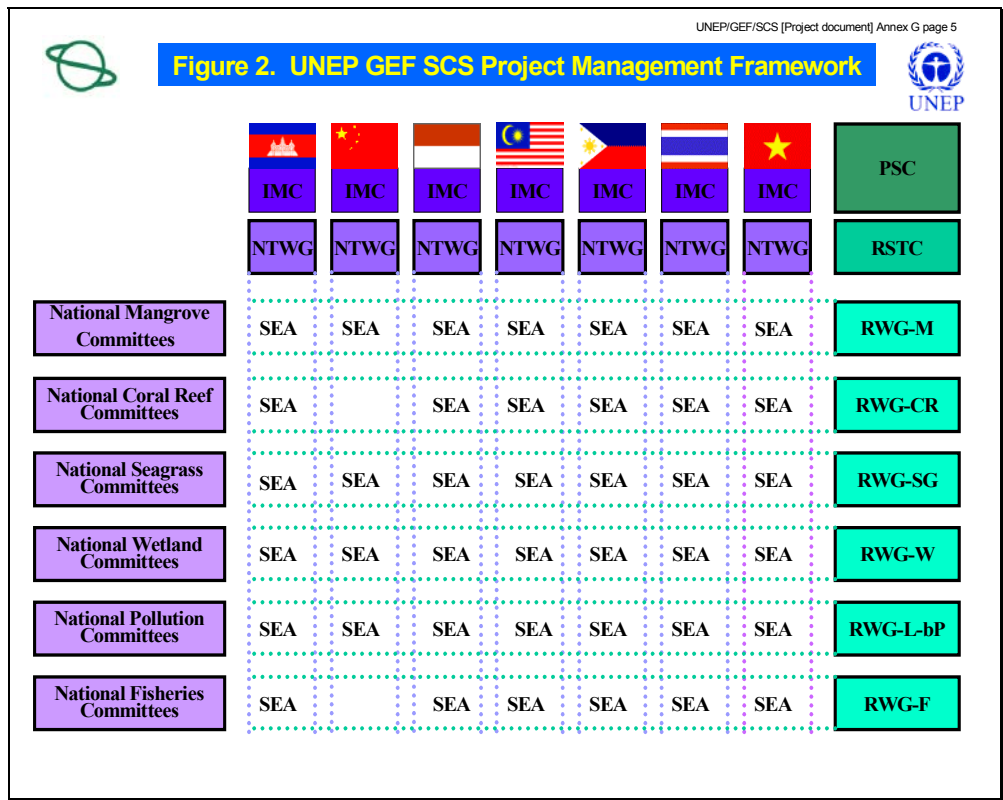
The Project Co-ordinating Unit, acts as the Secretariat for each of the regional level structures established under the project, is the main conduit for reporting on project implementation to the GEF Council and UNEP Governing Council, via the UNEP Global Environment Facility Co-ordination Division, and is responsible for due diligence monitoring of project execution and financial management. Through direct interaction with the East Asian Seas Regional Co-ordination Unit (EAS/RCU), synergy and complementarity are ensured with the work of the UNEP Division of Environmental Conventions (UNEP/DEC), in accordance with the decisions of the UNEP Governing Council (UNEP GC).

National Level Co-ordination

At the national level, the national co-ordinators or focal points for each component are responsible for convening regular meetings of a national committee or sub-committee with membership drawn from the government and national level stakeholder groups having interests in, or responsibilities for, the habitat or issue, at the national level. Terms of Reference for these committees were approved at the time of project document review by the first meeting of the Project Steering Committee (UNEP, 2001a. Annex VII). Thus, the focal point for mangroves from one country, for example, is supposed to chair a group of specialists within the country having interests in research, management and use of mangrove habitats and resources. In some instances such as mangroves, national committees⁷ existed in some countries before the project commenced, in others new bodies were created.

⁷ *National Mangrove Committees were established in each country participating in the UNESCO COMAR Mangroves project, which ran from the 1980's to early 90's. The fact that such committees were still functioning in some countries ten years after the completion of this project is a testament both to their usefulness and to the foresight of the UNESCO programme.*

In each country, a government designated senior official serves as the National Technical Focal Point with responsibility for convening and chairing meetings of a National Technical Working Group⁸, comprising representatives of the National Committees or Sub-Committee together with additional experts and representatives drawn from the public and private sectors and civil society. This working group is intended to provide sound scientific and technical advice to the Inter-Ministry Committee regarding national priorities and actions as the basis for national level decisions regarding project activities. A primary function of this group is to ensure synergy and complementarity among the actions proposed at the national level within each component and sub-component of the overall project. This relationship is illustrated in Figure 2, which further shows the relationships among the national level committees for each component and the respective regional working groups. As noted above, each regional working group comprises the chairpersons of the national committees. A major task for the regional working groups is to ensure that the national priorities determined by the National Committees for each component and sub-component are adequately taken into consideration in determining regional priorities for action.



At the national level, each Inter-Ministry Committee (IMC) includes within their membership, the National Technical Focal Point and the National Focal Point for the project, the latter serving as Chairperson of the Committee. In addition this committee includes high level representatives of other, sectoral ministries and government agencies having interests in, and responsibilities for, the management of the marine environment and resources. As noted above, the National Technical Focal Point is normally a senior official with operational level responsibility whilst the National Focal Point is a more senior official or Minister with responsibility for overall policy within the marine sector. Terms of reference for the national committees, the National Technical Working Groups and the Inter-Ministry Committees were agreed inter-governmentally prior to the commencement of the project (UNEP, 2001a. Annex VII).

⁸ In view of the fact that China did not participate in the initial phases of the coral reef and fisheries components and Malaysia did not participate in the fisheries and mangroves components, national committees were not formed in those countries for these components. In contrast to the other countries, only four sub-groups of the National Technical Working group covering the remaining components were formed.

The primary role of the Inter-Ministry Committees in each country is to function as the national equivalent of the regional Project Steering Committee and to ensure co-ordination across sectors and stakeholder groups at the national level. The Chairperson of the Inter-ministry Committee serves as a member of the regional level Project Steering Committee, thus ensuring that decisions taken by all participating countries accord with the priorities and requirements at the national level.

Relationships between National and Regional Structures

The relationships originally envisaged among the national and regional management structures are illustrated in Figure 3 where it can be seen that the specialised executing agencies in each country assemble national data and information in the light of national priorities and plans. National priorities are integrated into a regional approach through the work of the six regional working groups responsible for managing each of the major components and sub-components of the project. The relationships between the Regional Task Forces created in late 2002 and the other regional entities are illustrated in Figure 4, which represents the current management structure.

The specialised executing agencies in each country interact via the National Technical Working Groups that, in turn, feed national information to the Regional Scientific and Technical Committee, which reconciles the national priorities of each participating country with the overall regional and global priorities for action within the project as a whole. Overall decision-making at the national level, is taken via, the inter-ministry committees that in turn, provide national inputs to regional, policy level decision-making by the Project Steering Committee.

The existence of these two bodies at the national level, and their counterparts at the regional level, provides for a clear separation between scientific and technical issues and concerns, and the higher level policy and principles that, govern interactions between sectors at the national level, and between participating countries at the regional level. Ultimately, decisions are taken, both at the national and regional levels, by an appropriately constituted body having authority and responsibility for policy level decision-making. These bodies, the Project Steering Committee and Inter-Ministry Committees, are advised by, the Regional Scientific and Technical Committee and the National Technical Working Groups respectively on matters of substance relating to the scientific and technical soundness of the alternative courses of action before each body, for decision. This allows for a better integration of scientific and technical data into the decision making process than would be possible with a single, joint forum that would result in confusion between the purely scientific and technical on the one hand and the policy related issues and concerns on the other.

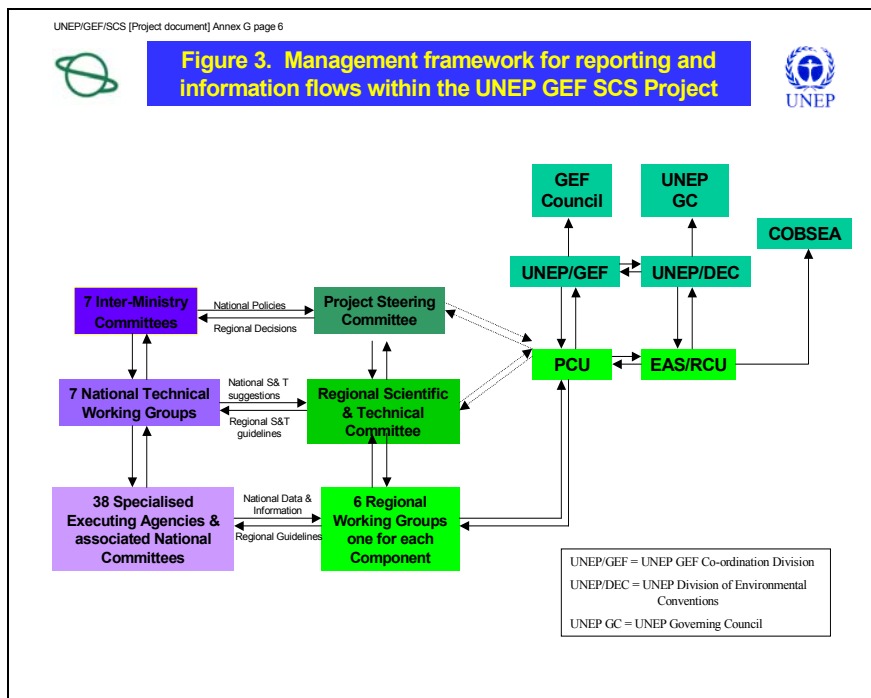
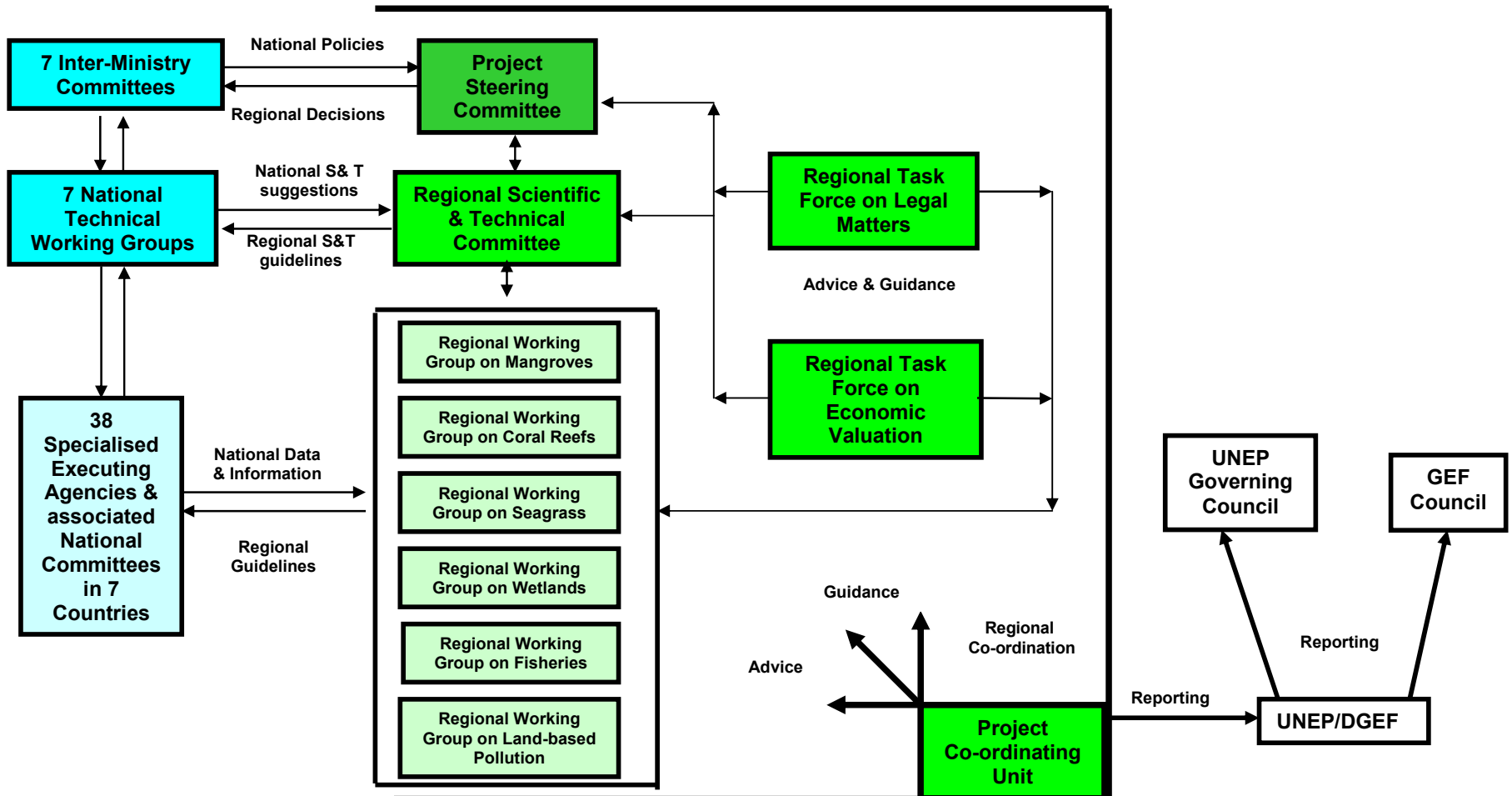


Figure 4 Current Management Framework Illustrating the Relationships between the Regional Task Forces and Other Project Entities



DISCUSSION

Conclusions of independent evaluations regarding the management framework

The mid-term independent evaluation of the project undertaken between February and July 2004 by two independent evaluators concluded that:

The project structure and consultative mechanism established by the Project Coordinating Unit (PCU) and endorsed by the Project Steering Committee constitutes a model of project management and administration that warrants emulation elsewhere. (Bewers, J.M. & J. Su, 2004, Executive Summary)

In addition, two further independent evaluations of the project conducted for different purposes in 2004 came to similar conclusions. The GEF Specially Managed Project review (GEF, 2004a) concluded that:

The management structure has been very effective on several grounds. The clear separation of roles of the policy and decision-making structures from the scientific and technical functions has been a key to the success of the project. The highest-level decision-making structure is the Project Steering Committee (PSC) that consists entirely of government officials from the participating countries. The main scientific and technical forum, Regional Scientific and Technical Committee (RSTC), forms the bridge between the PSC and the Regional Working Groups (RWGs) dealing with the scientific and technical aspects of the project. The RSTC makes recommendations to the PSC as to the appropriate actions based on the scientific work carried out within the RWGs and at the national level. This structure has allowed the PSC make its decisions based on accurate and appropriate scientific and technical advice.

Whilst the GEF 2004 review of the International Waters Portfolio (GEF, 2004b) concluded:

The advantage of this structure is that it provides a balance of political and technical inputs to the Steering Group (sic), hopefully avoiding sectoral capture that affects many other projects. (Page 23, GEF, 2004)

And on page 24

The innovative management structure of the South China Sea project is an interesting experiment in how to achieve a transparent mechanism that balances the skills and interests of technical experts and political representatives. It demands considerable project staff time for the management of some 40 separate contracts with Specialised Executing Agencies and requires considerable dedication from the staff of the PCU.

Design factors contributing to the success of the framework

It is perhaps worthwhile considering the elements that have contributed to this apparent success⁹ which can be considered firstly, in terms of the structure itself, and secondly, in terms of the execution modalities. With regard to the structure itself two significant features are apparent:

- The clear separation between scientific and technical discussions on the one hand and the policy discussions on the other; and,
- The significant feedback loops within the system that, engage each individual and entity in two directions.

⁹ In Section 5.6.1 the Mid-term evaluation notes: *The apparent success of the project management structure appears to stem from two key factors that clearly underpinned the design of the management framework. The first is a clear separation between the policy and decision-making body, the PSC, and the scientific and technical forum, the RSTC. By separating these two aspects of decision-making, each body is able to focus on its primary area of responsibility and scientific and technical considerations do not become obfuscated by political discussions. The second factor is that all the expertise used in the project is derived from within the region. All consultants and reviewers hired to date come from the participating countries and Singapore. This has resulted in the PSC more readily accepting the recommendations of the RSTC, which wholly comprises 'insiders' who clearly have no external (i.e., extra-regional) agenda.*

Regarding the first point, the separation between scientific and technical, and policy related matters results in clarity of discussion and decision-making at both levels and as noted in the mid-term review “*scientific and technical considerations do not become obfuscated by political discussions*”. Scientific and technical issues and considerations are discussed and analysed in a strictly operational context, by scientists and managers from the countries and the region, resulting in recommendations being made to the policy level, decision making bodies (the Project Steering and Inter-Ministry Committees) solely on the basis of the best available, scientific and technical, data and information. This separation is implicitly recognised in the following extract from the mid-term evaluation report, which states:

The Project Steering Committee has fulfilled its role well in acting upon the information provided to it by the other project bodies, especially the RSTC and the PCU. It has not shied away from difficult decisions and has maintained an appropriate level of monitoring and oversight. The RSTC has fulfilled its role equally well by evaluating the technical aspects of working group activities and products and making appropriate recommendations to the PSC.

A more subtle feature of the management structure is the presence of feedback loops within the structure that provide two alternate pathways one direct and one indirect for any single individual or entity to interact with every other individual or entity in the project. These feedback loops are designed to enhance vertical as well as horizontal communication and interaction at all levels, resolve issues and ensure that parties are able to, and in fact are, carrying out their agreed actions.

Such mechanisms are necessary to avoid problems identified in other regions. For example in many regional and multi-lateral projects and programmes emphasis is placed on an hierarchical structure such that a single country node or focal point is engaged by the co-ordinating agency or lead organization in dialogue with counterparts from other participating countries. In general terms, a multi-country Project or Programme Steering Committee is frequently constituted of high level, policy oriented, representatives from each country, who delegate operational level responsibility for the execution of activities to individuals or institutions within each country. Very often the operational level individuals or institutions are not provided with a regional forum within which to raise concerns reflecting operational difficulties within each country, nor indeed have any contact with their operational counterparts in the other countries. More importantly the focus of their attention remains at the national level and regional and global considerations are frequently not considered in a national context at all.

An hierarchical structure suffers from the problem that whilst the vertical lines of communication are emphasized nationally, horizontal communication regionally is often weak or absent. The structure of the South China Sea Project provides an opportunity for the operational level personnel from each country to meet together and share individual experiences regarding difficulties and solutions to the resolution of national level difficulties or impediments to successful completion of regionally agreed activities. This system is enhanced through the direct engagement of the national operational institutions (the Specialised Executing Agencies) and the focal ministries with a neutral third party, UNEP through Memoranda of Understanding. These MoUs commit the operational institution (and the named individual) concerned to complete agreed tasks according to an agreed work plan and timetable, while those with the Focal Ministry, commit the Ministries of Environment, to undertake a national co-ordination role.

Consequently the Project Co-ordinating Unit has two channels of communication to reach the SEAs, directly under the terms of the MoU or indirectly via the focal ministry and *vice versa*. A failure to implement agreed actions at the national level on the part of the co-ordinating Ministry can be addressed directly by the SEA or indirectly through communication with the Project Co-ordinating Unit. Since the focal points for each component in each country are members of their respective regional working group, direct communications between UNEP, represented by the PCU, and the component focal points is possible, enabling direct solving of problems between the two parties concerned. In cases however, where such communication is unsuccessful in resolving difficulties the PCU can approach the National Focal Point and National Technical Focal Points in the Focal Ministries to intervene. Similarly if the PCU fails to fulfil its responsibilities to an SEA and direct approaches do not solve the problem then the SEA can enlist the support of the National Focal Point or National Technical Focal Point to approach the PCU on their behalf.

Operational factors contributing to successful management

Inter-agency linkages

This project is rather unusual for a GEF project in that project execution is undertaken by, national level institutions contracted directly to UNEP as the Implementing Agency of the GEF. In contrast most projects are implemented through an intermediate organization such as a regional commission or regional office of an International agency or NGO that becomes responsible for the contractual arrangements, fund management and due diligence monitoring of national level actions. Not only does this increase the overall transactions costs but it removes by one further step the GEF from its client the countries. Since no regional commission exists with a specific mandate focused on the environment of the South China Sea, UNEP deals directly with the countries, which are now truly in charge, without filters, without false ambassadors, and money starved intermediaries.

Steering Committee composition

The second key to success of the management structure concerns the manner in which the framework itself has been used, the nature of the consultations and participatory processes. There is a clearly articulated sense of ownership on the part of the governments, institutions and individuals involved in the project that stems in part from the fact that the Project Steering Committee is composed solely of two representatives of each participating country (total 14 members) with the Project Director serving as Secretary to the Committee. This composition was seen (implicitly) as being unnecessarily restrictive by the evaluators responsible for the International Waters Programme review who, in discussing the composition of various GEF Project Steering Committees state:

The Project Co-ordinator is generally present as an observer, and in some cases (but not all), donor and NGO representatives are also given observer status. The chosen formula depends upon political and cultural realities; in the extreme case of projects such as the South China Sea and FREPLATA, the Steering Committee exclude all observers, except for the project co-ordinator. (GEF, 2004 page 31)

In the case of the South China Sea the political reality is that all seven countries are in disagreement with one or more of their neighbours regarding various territorial issues and sovereign rights. Under such circumstances it is perfectly understandable the countries do not wish to present an opportunity for external interference, whether direct or indirect in what was, in 2001, the only multi-lateral intergovernmental forum addressing issues specific to the South China Sea.

The composition of the Project Steering Committee, results in the country representatives themselves deciding upon what will and will not be done and the allocation of budgets to activities, within the overall limitations set by the GEF and presented in Table 1 of this document. The Project Steering Committee is therefore neither agency driven nor is its agenda unnecessarily influenced by the goals and objectives of international and regional organisations or the donor community. Many such organisations use inter-governmental bodies for purposes other than those for which they were created, frequently resulting in loss of momentum and in extreme cases breakdown of the communication mechanism itself. A further aspect of the operation of the present system is the use of experts and consultants from within the region as noted by both the Mid-term evaluation and the SMPR.

All consultants and reviewers hired to date come from the participating countries and Singapore. This has resulted in the PSC more readily accepting the recommendations of the RSTC, which wholly comprises 'insiders' who clearly have no external (i.e., extra-regional) agenda. (Bewers, & Su, 2004)

Transparency and decision-making

The sense of national and regional ownership is further enhanced by the fact that the regional working groups have conducted substantive work during their meetings to develop processes and procedures for assembling, analysing and synthesising data and information, and actually conducting such

syntheses and analyses during the meetings¹⁰. This results from the fact that the project document does not detail “how” certain actions are to be implemented or decisions taken, rather it specifies “who” will be responsible for designing or developing the processes, and take the required decisions. This leads to enhanced collaboration and co-operation between individuals both during the meetings and during the following inter-sessional periods. This is not to say that the processes used have been developed in a vacuum, rather that the groups have examined alternatives from both within and outside the region and at least in one instance, that of demonstration site selection, developed a unique, transparent and semi-objective process for their selection, accepted and agreed by all parties, at all levels throughout the project.

National and regional ownership is further enhanced by the open and transparent manner in which the project is implemented. All information, at all levels, including detailed itemised budgets are publicly available on the project website and financial allocations are reviewed, discussed and agreed by the Project Steering Committee, which can when it so decides, direct the Project Director to re-allocate funds for other purposes within the overall limitations set by the GEF grant terms. In addition, proposals for courses of action are provided to the different regional bodies, which decide on their common work plans and timetables, the structure and content of outputs, the manner of implementing decisions, and make recommendations to the Project Steering Committee. Thus the regional bodies have real decision-making and discretionary powers and are not simply following a guidebook and externally imposed time line.

The working groups although governed by detailed terms of reference and rules of procedure are operated in an open, friendly and collegial manner, which fosters a group-identity and sense of common purpose. As evidence of this it should be noted that, rather than electing officers on the basis of seniority, or according to the country hosting each regional meeting, the regional level committees and working groups have adopted the practice of encouraging younger members of the groups to assume responsibility for acting as Chairperson, Vice Chair or Rapporteur, thus contributing to the overall goals of the project with respect to building capacity in the region.

Networking

The project structure emphasises and fosters networking in several different ways. The opportunities for groups of specialists from each country to meet together is perhaps the simplest, but through the project structure they meet not as individuals but as representatives of the community of specialists in their country. Hence they serve as a conduit for ideas and information in two directions: upward from the national to the regional, and downward from the regional to the national. Too frequently, large-scale projects if they create any kind of forum for scientific and technical specialists to meet, do so in the form of a single body advising the single political decision-making body. The flaws in such structures are not immediately obvious since those deciding on project design features rarely consider the range of “science” that is necessary to provide a sound basis for decision making.

A committee of scientists of twenty people for example is unlikely to contain adequate specialist knowledge with respect to six project components and the differing socio-economic, legal and environmental situations in seven countries. Putting coral reef biologists, mangrove foresters and seagrass scientists together will not result in sound advice on “coastal habitat management” since the nature of the environmental and ecological processes in these three systems; their use by human populations; and the management measures required for their sustainability; are fundamentally different, and frequently not part of the “shared” body of ecological knowledge. By creating a more specialised lower level forum the opportunity exists to consolidate a wider body of highly specialised knowledge and experience before sharing it with specialists having other, often very divergent interests and concerns. Thus not only are the mangrove scientists networked together but also, they are linked to and networked both nationally and regionally with other habitat specialists, pollution experts, fisheries specialists, lawyers and economists. By having each regional entity working together the opportunities for learning are expanded with for example the economic forum providing advice on matters such as economic evaluation to the biologists, and the legal specialists providing advice to the national committees regarding the needs for strengthening of the national legal regime.

¹⁰ *The medium of communication throughout the project is English, which is not the first language of any participating country this necessitates individual concentration and effort on the part of all participants and frequently leads to better interactions since individuals with greater facility in English tend to assist those with more limited understanding or capacity.*

Planning time

Finally the lengthy process of project development (6.5 years, see appendix A) resulted in more detailed itemisation of the execution arrangements than would have been possible in a shorter time frame. In addition, time was available for discussion and clarification of the structures, their roles and responsibilities at least at the level of the focal ministries resulting in a common understanding among the major parties. Consequently what might have been seen as purely bureaucratic and political delays have proved to be beneficial since the management framework was fully outlined prior to commencement of project activities. The interpretation of this framework has been flexible and modifications have been made to it during the first three years of project execution as circumstances demand, as for example in the creation of a Regional Task Force on economic valuation not foreseen in the original project document.

In conclusion, one must add two cautionary notes. Whilst this framework appears to work successfully in the context of the present project it would be unwise to simply replicate this in other regions where different social and cultural contexts are apparent and different government structures and processes are used. Careful consideration needs to be given during project or programme design to existing committees and their linkages at both the national and regional levels. Where possible, management of new projects and programmes should build on existing structures rather than duplicating them simply for the purpose of simplicity of project management.

Secondly the amount of management time required to ensure smooth operation of a management structure such as this together with its associated networks, should not be under-estimated. All too frequently funding agencies try to cut costs by reducing management and in particular, personnel costs, in the mistaken belief that such structures and processes are “not integral” to the project or programme. In reality however a well-operated management structure provides numerous opportunities for cross-sectoral learning and hence serves the dual purposes of not merely addressing the problem itself but also, building capacity to solve future problems.

Conclusions

It may be concluded that the management framework designed for the implementation of the UNEP/GEF project entitled “*Reversing Environmental Degradation in the South China Sea and Gulf of Thailand*” has proved far more effective than was originally anticipated.

It is suggested that contributing factors to this success include:

- The design of a management framework that permits both “horizontal” (inter-country) and “vertical” (intra-country) interactions and networking between individuals at all levels of project implementation and execution;
- A management framework that includes a body (the RSTC) that serves as a forum for reconciling both sectoral and national interests and priorities;
- The clear separation between discussions of scientific and technical matters from discussions dealing with policy and principles at both the national and regional levels;
- A management framework that facilitates the incorporation of sound scientific and technical advice and information into politically based decision-making;
- The use of regional experts and consultants from the participating countries;
- Restriction of the membership of the Project Steering Committee to government representatives only, and exclusion of observers from regional and international agencies and institutions other than UNEP;
- The framework allows for adaptive management and is not a rigid unchanging structure; and,
- Adequate time for detailed planning of the execution arrangements.

John C. Pernetta, <Pernetta@un.org>
Bangkok, Thailand, March 2005.

APPENDIX A

HISTORY OF DEVELOPMENT OF THE PROJECT

During 1996, the Co-ordinating Body for the Seas of East Asia (COBSEA) requested assistance from the United Nations Environment Programme (UNEP) to prepare a proposal for grant assistance from the Global Environment Facility (GEF) in addressing the water related environmental problems of the marine environment in the region (UNEP, 1996). The GEF provided a project development facility grant of 325,000 US dollars to undertake an analysis of the water-related issues and problems of the South China Sea and to design an appropriate multi-country intervention to address the agreed priority issues.

During the project preparation phase (1997-1998) each of the seven participating countries¹¹ nominated a national focal point from within the ministries responsible for the environment. The focal points were charged with responsibility for co-ordinating the work of other individuals and institutions in the preparation of a national review of priority, water-related environmental issues and problems. Three expert meetings involving the national focal points and invited experts from the region were convened during this period (UNEP, 1997; 1998a; 1998b) to review the draft national reports, and determine priority areas of intervention. The seven national reports¹² were published in 1999 (UNEP/EAS/RCU, 1999a; 1999b; 1999c; 1999d; 1999e; 1999f; and 1999g) and formed the basis for the compilation of a Transboundary Diagnostic Analysis (TDA), (Talaue-McManus, 2000) and a draft Strategic Action Programme (SAP), (UNEP, 1999). The Transboundary Diagnostic Analysis included a prioritisation of the identified issues and problems prepared on the basis of a Delphi-type exercise conducted during the second expert meeting. The Strategic Action Programme outlined the priority actions required over the subsequent five-year period, to address the issues and problems identified and quantified in the TDA.

The Country Reports, the Transboundary Diagnostic Analysis and the draft Strategic Action Programme were presented to the thirteenth meeting of COBSEA (UNEP, 1998c), which took note of the Country Reports and TDA and analysed and approved in detail the draft Strategic Action Programme (UNEP, 1999). On the basis of this draft SAP, the project brief was prepared for consideration by the GEF Council meeting in March 1999. Not all countries had endorsed the proposal by that time however, and the problems were reported to the fourteenth meeting of COBSEA in November 1999 (UNEP, 1999h). There followed an extensive period of negotiation between UNEP and the participating countries during which changes to the document were made to accommodate the concerns of some participating countries. A revised version of the project brief was presented to, and endorsed by the fifteenth meeting of COBSEA in September 2000, which was preceded by an expert meeting of national co-ordinators (UNEP, 2000b). This project brief took account of the desire of participating countries to retain full control over the management and execution of the project without involvement of outside parties. The document was included in the GEF Work Programme presented to, and endorsed by the GEF Council in December 2000 for grant support.

The project brief (UNEP, 2000b, Appendix) contained only a brief outline of the proposed management framework and did not contain details of the instruments that would be used to transfer funds to the national executing agencies. An elaborated management framework (Figures 1, 2 and 3) and Memoranda of Understanding, together with the terms of reference for, and details of, the proposed membership of the national and regional bodies listed in the management framework were prepared in consultation with the focal ministries in each country during 2001. They were annexed to the operational project document submitted to the GEF Secretariat for final CEO endorsement in December 2001 (Annex G of the Project Document and Annex VI of UNEP, 2001a). Prior to this submission the full project document was presented to, and approved by the first meeting of the Project Steering Committee in October 2001 (UNEP, 2001a) and approved by the sixteenth meeting of COBSEA (UNEP, 2001b). The project became operational at the time of final signature of the project document by, UNEP on January 21st 2002.

¹¹ Cambodia, China, Indonesia, Malaysia, Philippines, Thailand and Viet Nam.

¹² All project related documents cited in this paper can be found on the project website at www.unepscs.org.

REFERENCES

- Bewers, J.M. & J. Su, 2004. Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand: Mid-term Evaluation. 73pp. UNEP, Evaluation and Oversight Unit, Nairobi, Kenya.
- GEF. 2004a. Program Study on International Waters. GEF/ME/C.24/Inf.3. 82pp. GEF Washington, USA.
- GEF. 2004b. Global Environment Facility Monitoring and Evaluation Unit, Specially Managed Project Reviews – 2004. GEF/ME 38pp. GEF Washington, USA.
- Talaue-McManus, L. 2000. Transboundary Diagnostic Analysis for the South China Sea. 106pp. EAS/RCU Technical Reports Series No.14. UNEP, Bangkok, Thailand.
- UNEP. 1981. Report of the Intergovernmental meeting on the East Asian Seas Action Plan, Bangkok, 9 – 11 December 1981. 15pp. + VIII Annexes. UNEP/IG.31/6. UNEP, Bangkok, Thailand.
- UNEP. 1996. Report of the Twelfth Meeting of the Coordinating Body on the Seas of East Asia (COBSEA) 23pp. + VII Annexes. UNEP, Bangkok, Thailand.
- UNEP. 1997. Report of the first meeting of national coordinators for the formulation of a transboundary diagnostic analysis and preliminary framework of a Strategic Action Programme for the South China Sea, Bangkok, Thailand 31 March - 4 April 1997. 10pp. + VIII Annexes. UNEP(WATER)/EAS/SCS/NCM.1/3. UNEP, Bangkok, Thailand.
- UNEP. 1998a. Report of the second meeting of national coordinators for the formulation of a transboundary diagnostic analysis and preliminary framework of a Strategic Action Programme for the South China Sea, Bangkok, Thailand 23 – 29 June 1998. 8pp. + X Annexes. UNEP(WATER)/EAS/SCS/NCM.2/3. UNEP, Bangkok, Thailand.
- UNEP. 1998b. Report of the third meeting of national coordinators for the formulation of a transboundary diagnostic analysis and preliminary framework of a Strategic Action Programme for the South China Sea, Bangkok, Thailand 15 – 17 November 1998. UNEP(WATER)/EAS/SCS/NCM.3/3. UNEP, Bangkok, Thailand.
- UNEP. 1998c. Report of the Thirteenth Meeting of the Coordinating Body on the Seas of East Asia (COBSEA) on the East Asian Seas Action Plan. 11pp. + VI Annexes. UNEP, Bangkok, Thailand.
- UNEP. 2000. Report of the fifteenth meeting of the Coordinating Body on the Seas of East Asia (COBSEA) on the East Asian Seas Action Plan (Special Session for the UNEP/GEF Project in the South China Sea) and report of the meeting of National Experts for the UNEP GEF Project in the South China Sea. 80pp. UNEP, Bangkok, Thailand.
- UNEP. 2001a. Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand, report of the first Project Steering Committee meeting. 10pp. XIII Annexes. UNEP/GEF/SCS/PSC.1/3. UNEP Bangkok, Thailand.
- UNEP. 2001b. Report of the Sixteenth meeting of the Coordinating Body on the Seas of East Asia (COBSEA) on the East Asian Seas Action Plan, 24 - 26 October 2001, Bangkok, Thailand. 26pp. UNEP. Bangkok, Thailand.
- UNEP/EAS/RCU. 1999. Strategic Action Programme for the South China Sea (draft version 3, 24th February 1999). 69pp. UNEP. Bangkok, Thailand.
- UNEP/EAS/RCU. 1999a. National Report of Cambodia on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 122pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999b. National Report of China on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 76pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999c. National Report of Indonesia on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 140pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999d. National Report of Malaysia on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 68pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999e. National Report of Philippines on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 94pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999f. National Report of Thailand on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 107pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999g. National Report of Viet Nam on the formulation of a Transboundary Diagnostic Analysis and preliminary framework of a Strategic Action programme for the South China Sea. 128pp. UNEP, Bangkok, Thailand.
- UNEP/EAS/RCU. 1999h. Report of the Fourteenth Meeting of the Coordinating Body on the Seas of East Asia (COBSEA) on the East Asian Seas Action Plan. 8pp. + VI annexes. UNEP. Bangkok, Thailand.