



**United Nations
Environment Programme**

Distr. restricted
UNEP/GEF/SCS/RWG-SG.1/3



Global Environment Facility

8th May 2002

Original: ENGLISH



***Reversing Environmental Degradation Trends
in the
South China Sea and Gulf of Thailand***

REPORT

**First Meeting of the Regional Working Group for
the Seagrass Sub-component**

Bangkok, Thailand, 6 – 8 May 2002

Table of Contents

1. OPENING OF THE MEETING	1
1.1 WELCOME ADDRESS	1
1.2 INTRODUCTION OF MEMBERS	1
2. ORGANISATION OF THE MEETING	1
2.1 DESIGNATION OF OFFICERS	1
2.2 ORGANISATION OF WORK	2
3. ADOPTION OF THE MEETING AGENDA	2
4. TERMS OF REFERENCE, MEMBERSHIP AND RULES OF PROCEDURE FOR THE REGIONAL WORKING GROUP FOR SEAGRASS (RWG-SG)	2
4.1 TERMS OF REFERENCE FOR THE WORKING GROUP	2
4.2 MEMBERSHIP OF THE WORKING GROUP	3
4.3 RULES OF PROCEDURE	3
5. MANAGEMENT AND OVERALL OBJECTIVES OF THE UNEP/GEF PROJECT ENTITLED: “REVERSING ENVIRONMENTAL DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”	3
5.1 REPORTING RELATIONSHIPS AND RESPONSIBILITIES OF THE REGIONAL WORKING GROUP AND ITS ROLE IN ACHIEVING PROJECT OBJECTIVES	3
5.2 FISCAL RESPONSIBILITIES (RECORDING & REPORTING) OF THE NATIONAL FOCAL POINTS OF EACH SPECIALISED EXECUTING AGENCY	4
6. OVERALL GOALS AND OBJECTIVES OF THE COMPONENT “HABITAT DEGRADATION AND LOSS” AND THE SEAGRASS SUB-COMPONENT	5
6.1 GENERAL DESCRIPTION OF ACTIVITIES CONTAINED IN THE PROJECT BRIEF	5
6.2 OTHER RELEVANT ACTIVITIES IN THE REGION	6
7. DATA AND INFORMATION NEEDS FOR THE SEAGRASS SUB-COMPONENT	7
7.1 REVIEW OF THE SEAGRASS RELATED SECTIONS OF THE NATIONAL REPORTS AND THE TRANSBOUNDARY DIAGNOSTIC ANALYSIS, PRODUCED DURING THE PREPARATORY PHASE OF THE PROJECT	7
7.2 NATIONAL AND REGIONAL SOURCES OF DATA AND INFORMATION	8
8. DISCUSSION AND ADOPTION OF THE WORKPLANS FOR THE NATIONAL COMMITTEES AND REGIONAL WORKING GROUP FOR 2002-2003	9
9. ANY OTHER BUSINESS	9
9.1 REPORTS FROM THE NATIONAL SEAGRASS COMMITTEES	9
10. DATE AND PLACE OF THE NEXT MEETING OF THE REGIONAL WORKING GROUP FOR SEAGRASS	10
11. ADOPTION OF THE REPORT OF THE MEETING	10
12. CLOSURE OF THE MEETING	10

List of Annexes

Annex 1	List of Participants
Annex 2	List of Documents
Annex 3	Agenda
Annex 4	Financial Rules and Financial Reporting Requirements for National Focal Points Operating in the Framework of the UNEP/GEF Project Entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i>
Annex 5	Flow Chart of Actions for the Seagrass Sub-component of the UNEP/GEF Project
Annex 6	Selection Criteria for Demonstration Sites Prepared by the National Seagrass Committee of Indonesia
Annex 7	Parameters, Indicators, Data and Information Requirements for Characterising, Seagrass Sites for the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i>
Annex 8	Review of the Seagrass Sections in the National Reports prepared for the Transboundary Diagnostic Analysis of the South China Sea
Annex 9	Workplan, Timetable and Schedule of Meetings for the Regional Working Group on Seagrass, 2002-2003

Report of the Meeting

1. OPENING OF THE MEETING

1.1 Welcome address

1.1.1 The Project Director, Dr. John Pernetta, opened the meeting on behalf of Dr. Klaus Töpfer, the Executive Director of UNEP, and Dr. Ahmed Djoghlaif, the Director, Division of GEF Co-ordination (UNEP/DGEF). He welcomed participants to the first meeting of the Regional Working Group on Seagrass (RWG-SG) and noted the high importance accorded this project by UNEP and the GEF. This importance is reflected in the substantial size of the GEF grant (16.4 million US \$). He informed the meeting of the strong desire of UNEP's Executive Director that the project stimulate renewed interest in regional, co-operative management of the most biologically diverse, shallow-water area of the marine environment in the world.

1.1.2 Dr. Pernetta noted further that, the project was large and although it appeared complex it was in reality comparatively simple once the framework was clearly understood. This working group is central to the regional level co-ordination and management of the national contributions to the Seagrass sub-component of the habitat loss and degradation component of the project. He noted that whilst coral reefs and mangroves tended to receive greater attention than seagrasses from the conservation and management communities, seagrasses were nevertheless an important habitat with their centre of diversity at the species level being located in the Southeast Asian region. Although less well studied than coral reefs and mangroves, seagrasses are a significant and widespread habitat that supports important communities of organisms, a significant number of which were important fisheries resources particularly for the artisanal fishing communities.

1.1.3 The first meeting of the Regional Working Group is of critical importance in providing guidance to the National Focal Points for the seagrass sub-component and through them to the National Committees regarding the work to be undertaken and in ensuring that the data and information assembled at the national level are comparable and compatible between all participating countries. It will be important therefore for all participants to fully understand the project objectives and approaches and the agenda for this meeting had been prepared with this objective in mind. He noted that it was important to ensure that the scientific and technical guidance provided by the Regional Working Group is collective, not only at the regional, but also equally importantly, at the national level. Dr. Pernetta expressed his personal best wishes and those of the Executive Director of UNEP and Director of UNEP/DGEF for a successful meeting.

1.2 Introduction of members

1.2.1 The participants and members of the Project Co-ordinating Unit (PCU) introduced themselves, and provided the meeting with a brief outline of their roles in the project, and their expertise and experience relevant to the seagrass activities. The list of participants is attached as Annex 1 to this report.

2. ORGANISATION OF THE MEETING

2.1 Designation of officers

2.1.1 In accordance with the rules of procedure for the Project Steering Committee, participants were invited to nominate a Chairperson, Vice-Chairperson, and Rapporteur for the meeting.

2.1.2 Mr. Kim Sour, Focal Point for seagrass for Cambodia, nominated Professor Xiaoping Huang, Focal Point for seagrass in China, as Chairperson of the meeting. The nomination was seconded by, Drs. Tri Edi Kuriandewa, Focal Point for seagrass from Indonesia and Professor Huang was duly elected as Chairperson.

2.1.3 Drs. Kuriandewa, Focal Point for seagrass from Indonesia, nominated Dr. Suvaluck Satumanatpan, Focal Point for seagrass in Thailand, as Vice-Chairperson of the meeting, there being no further nominations Dr. Suvaluck was duly elected.

2.1.4 Drs. Kuriandewa, nominated Dr. Hugh Kirkman, representative of the Project Co-ordinating Unit, as Rapporteur of the meeting. The nomination was seconded by Mr. Kamarruddin bin Ibrahim, Focal Point for seagrass from Malaysia and Dr. Kirkman was duly elected.

2.2 Organisation of work

2.2.1 Dr. Pernetta, the Project Director, briefed participants on the documents available to the meeting, which included discussion documents prepared by the Secretariat, together with a number of information documents prepared during the preparatory (PDF-B) phase of the project. The latter were provided in both hard copy and electronic form. In addition, copies of the reports of the first meetings of the Regional Working Groups for Wetlands and Mangroves were also made available to participants for information. The list of documents available to the meeting is attached as Annex 2 to this report.

2.2.2 It was noted that the meeting would be conducted in English and would work in plenary although it might be necessary to form small working groups for consideration of the detail of some agenda items, as had been done by the previous working groups. The draft programme prepared by the Secretariat as document UNEP/GEF/SCS/RWG-SG.1/INF.3 was outlined and it was agreed that the meeting would follow this proposed programme, but that sessions would be extended at the discretion of the Chairperson and members.

3. ADOPTION OF THE MEETING AGENDA

3.1 Professor Huang, the Chairperson, introduced the provisional agenda, prepared by the Secretariat as document UNEP/GEF/SCS/RWG-SG.1/1, and invited participants to propose any amendments or additional items for consideration.

3.2 Drs. Kuriandewa, Focal Point for seagrass from Indonesia, proposed, and the meeting accepted to amend the agenda through inclusion of an item under "Any Other Business" entitled "Reports from the National Seagrass Committees."

3.3 Following this amendment, the agenda was adopted by the meeting, and is attached as Annex 3 to this report.

4. TERMS OF REFERENCE, MEMBERSHIP AND RULES OF PROCEDURE FOR THE REGIONAL WORKING GROUP FOR SEAGRASS (RWG-SG)

4.1 Terms of reference for the working group

4.1.1 The Project Director, introduced document UNEP/GEF/SCS/PSC.1/3 and in particular the Terms of Reference for the Regional Working Group on Seagrass for the project entitled "*Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand*" contained in Annex VIII of that document, and reproduced for the meeting, as document UNEP/GEF/SCS/RWG-SG.1/INF.6. He explained that, these Terms of Reference had been approved, by the Project Steering Committee in October 2002 prior to the final clearance of the project document by the GEF Secretariat. Any changes to these Terms of Reference (TOR) would therefore have to be approved by the Project Steering Committee.

4.1.2 During discussion several members sought clarification regarding the role of the Regional Working Group in ensuring that timetables were met by the National Committees and noted the difficulties resulting from the delay in receipt of funds for the initial six months. In response it was noted that one important purpose of the present meeting was to agree upon the workplan and timetable for the initial activities and that it would be the responsibility of the individual Focal Points to ensure that the national inputs were produced according to the agreed schedule. The Regional Working Group's responsibility was to ensure that inputs from the seagrass sub-component were provided to the RSTC and PSC as planned.

4.1.3 Several questions were raised regarding the meta-database referred to in the TOR and it was explained that the intention was not to duplicate existing databases rather to build on existing initiatives such as the coral reef meta-database developed by the Southeast Asian Regional Centre for the System for Analysis Research and Training of the International Geosphere Biosphere Programme (SEA-START RC), with financial support from UNEP. The intention was to provide information on the sources of data, their quality, location and required conditions for access.

4.1.4 The meeting agreed to accept the Terms of Reference, noting that any changes could be proposed at a later date, if found necessary.

4.2 Membership of the working group

4.2.1 Participants noted that under the Terms of Reference, full members of the working group include the National Focal Points for Seagrass and one member of the Project Co-ordinating Unit.

4.2.2 The Project Director informed the meeting that Dr. Hugh Kirkman would serve as the PCU designated member of the working group in recognition of his extensive experience and knowledge of seagrasses and seagrass ecology.

4.2.3 Participants noted that up to four additional members of the working group could be nominated by the PCU in consultation with the National Focal Points for the project, in the participating countries. The Project Director informed participants that this was to provide the opportunity to strengthen the group through the addition of individuals with expertise in areas such as resource economics that might not be well represented amongst the existing members.

4.2.4 The Project Director invited members to propose any areas of expertise and regional experts that they might wish to see added to the working group. He explained that following a review of the expertise of the members of all working groups and receipt of such proposals, the PCU would consolidate this list and forward it, together with their proposals to the National Focal Points. It was therefore intended that the second meeting of the working group would be convened with full membership.

4.2.5 Drs. Kuriandewa nominated, Dr. Malikusworo Hutomo, as one of the experts and it was agreed that all members would forward nominations using the roster of experts form, to ensure that details of the expertise and experience were available for consideration.

4.3 Rules of procedure

4.3.1 The Rules of Procedure of the Project Steering Committee as contained in Annex XIII of document UNEP/GEF/SCS/PSC.1/3 were briefly introduced by the Project Director, who indicated that the working group might wish to adopt the rules contained in Section VII of that document as the rules for conduct of meetings. Rules 21 – 30 were considered item, by item and adopted subject to the required substitution of “Regional Working Group on Seagrass” for Project Steering Committee and RWG-SG for PSC throughout.

4.3.2 A query was raised regarding the need for rules governing the attendance of alternates and Dr. Pernetta informed the group that alternates could and would be funded, where it was impossible for the Focal Point to attend, but that it was obviously in the interests of the project that the Focal Points attend all meetings in order to provide continuity throughout the life of the project.

5. MANAGEMENT AND OVERALL OBJECTIVES OF THE UNEP/GEF PROJECT ENTITLED: “REVERSING ENVIRONMENTAL DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”

5.1 Reporting relationships and responsibilities of the Regional Working Group and its role in achieving project objectives

5.1.1 The Project Director explained the relationship between the National Committees, the Regional

Working Groups, and the Regional Scientific & Technical Committee via document UNEP/GEF/SCS/RSTC.1/INF.4. He noted that, the views, data and information, collated by, the National Committees, would be transmitted to the Regional Working Group on Seagrass, by the Focal Points from each country. The views of the RWG-SG would be transmitted to the Regional Scientific and Technical Committee (RSTC) via the Chairperson of the RWG-SG. The RSTC in turn would advise the Regional Working Group on the integration of the seagrass sub-component activities with those undertaken within the other habitat sub-components of the project. He noted that the RSTC served as the source of scientific and technical advice to the Project Steering Committee, which was composed solely of two representatives of each participating country, with UNEP serving as the Secretariat.

5.1.2 No questions were raised following this presentation since participants noted that they were familiar with the structure and functioning of the various bodies within the management framework of the project.

5.2 Fiscal responsibilities (recording & reporting) of the National Focal Points of each Specialised Executing Agency

5.2.1 The Project Director introduced document UNEP/GEF/SCS/RWG-SG.1/INF.5 on financial rules and financial reporting requirements to secure anticipated cash flows in accordance with the budgets contained in the MoUs. He noted that these rules had been designed to minimise the administrative reporting but that nevertheless it was necessary that the Focal Points provide the PCU with the three required reports on time, in order to secure release of the subsequent tranche of funds. The financial rules and regulations are attached as Annex 4 to this report.

5.2.2 During discussion it was noted that unspent funds could be carried forward to the following period provided that, the activities, workplan and timetable for the following period justified the additional expenditure.

5.2.3 Clarification was sought regarding whether or not the project had established standard costs to be used by the National Focal Points. In response Dr. Pernetta noted that standard costs had not been established within the framework of the project since actual costs varied from country to country. Establishing standard costs would seriously disadvantage some countries whilst resulting in overpayments in others.

5.2.4 Drs. Kuriandewa noted that, this caused some difficulties in Indonesia since when government auditors audited project expenditure accounts they would expect that expenditures were paid in accordance with government established standards. For those focal points located in NGOs and where external audits were conducted, these Focal Points would not be subject to this restriction. Dr. Pernetta suggested that the Indonesian NTWG should establish cost norms for the project to be applied by all national committees in Indonesia, and that if such cost norms were agreed then these could then be approved by the PCU and used as Indonesian standard cost norms.

5.2.5 Mr. Kamarruddin, asked about the fate of interest on funds disbursement to SEAs, and the Project Director responded that interest accrued should be retained for expenditure on project activities and reported six monthly to the PCU.

5.2.6 Clarification was sought regarding the budget line items covering "sub-contracts" and it was noted that this budget line was for use in paying agency or institutional contracts. If consultants or experts were to be contracted as individuals, then these should be paid from the consultant budget line under the personnel component of the budget. Since no MoU budget at the present time contains a budget allocation for consultants or individual contracts, any Focal Point wishing to issue an individual sub-contract would need to seek a budget revision to transfer monies from the contracts component to the personnel component of the budget.

5.2.7 During discussion it was noted that, budgetary revisions could be made at the request of the Focal Points to cover anticipated over-expenditures, accommodate unplanned expenditures and reallocate unspent funds. It was noted that the process of budget revision was comparatively simple since the Project Director was authorized to approve such budget revisions within the limits imposed by the project document and the Project Steering Committee agreements.

6. OVERALL GOALS AND OBJECTIVES OF THE COMPONENT “HABITAT DEGRADATION AND LOSS” AND THE SEAGRASS SUB-COMPONENT

6.1 General description of activities contained in the Project Brief

6.1.1 The Project Director introduced document UNEP/GEF/SCS/RSTC.1/4, in which the expectations of the Global Environment Facility (GEF) with respect to project execution, the constraints and limitations imposed by the terms of the GEF grant in supporting activities in the different project components, and the opportunities provided by the project for improving the national and regional capacities for sustainably managing the South China Sea marine environment, were outlined.

6.1.2 Following this presentation two queries were raised, the first concerning the criteria to be used by the GEF in measuring the success of the project. In response the Project Director noted that sustainability of the management frameworks and structures beyond the life of the project would be one criterion of overall project success. More importantly however the “environmental state” criteria that could be used to judge the environmental outcomes cannot be defined until such time as the demonstration sites have been chosen. He also noted that various indicators of success were in fact outlined in the logical framework matrix in terms of outputs and verifiable indicators.

6.1.3 Mr. Kamarruddin, Focal Point from Malaysia sought clarification as to whether or not activities directed towards conserving endangered and/or migratory species such as turtles, and dugong will be included in the project. It was noted that the GEF focus was on sustainable habitat use, rather than single species interventions. The presence or absence of dugong and or turtles in seagrass areas might be included as one of the criteria in choosing the demonstration sites.

6.1.4 A number of discussion documents were then introduced by the Secretariat including: the summary of activities taken from the project brief (UNEP/GEF/SCS/RWG-SG.1/4); a proposed draft flow-chart of immediate activities for the National Committees and Regional Working Group (UNEP/GEF/SCS/RWG-SG.1/5); and document UNEP/GEF/SCS/RWG-SG.1/6 which presented the deliberations of the first meeting of the Regional Scientific and Technical Committee with respect to activities in the habitat sub-components of the project.

6.1.5 In initiating the discussion of the workplan and flow-chart, the Chairperson sought information from the National Focal Points regarding the status of the National Seagrass Committees. Mr. Kim Sour Focal Point for seagrass for Cambodia, noted that a listing of potential members had been prepared but the committee had yet to meet. In the case of Malaysia, Mr. Kamarruddin noted that, since the MoUs had not yet been signed the committee had not been formed. Dr. Suvaluck, from Thailand noted that the NC-SG has been established but the membership is not yet complete since various expertise needs to be added to the current membership. Professor Huang from China informed the meeting that the National Seagrass Sub-committee had been established and that it had already had a preliminary discussion of the workplan and timetable. Drs. Kuriandewa informed the meeting that the Indonesian National Seagrass Committee had been formed that it had met, and had already commenced work using financial advances from the Indonesian Institute of Science due to delays in receipt of the GEF funds.

6.1.6 During discussion it was noted that the scope of review of national data and information focussed on the South China Sea sections of the coastlines of participating countries. Various queries were raised regarding the meaning of items listed in the RSTC criteria, which were clarified by Dr. Chittima during discussion.

6.1.7 An extensive discussion took place regarding the components of the flow chart and the need to amend this to encompass items such as economic valuation, and stakeholder involvement. This led to a consideration of the process through which the National Action Programmes were to be developed and the need to actively involve stakeholders at all levels in the country, in both the development and approval of these programmes. It was agreed that a draft National Action Programme needed to be subject to stakeholder review before finalisation and approval,

6.1.8 It was agreed that each participant would annotate their copy of the draft flow-chart over night, and that these amendments would be consolidated into a revised version for consideration and approval by the meeting during the morning session.

6.1.9 Dr. Chittima and Dr. Pernetta consolidated the inputs from all participants and re-drafted the flow-chart which was discussed, further amended, and approved as contained in Annex 5 to this report.

6.1.10 The participants agreed to classify seagrass beds according to a geomorphic classification: namely: sandy coralline (exposed); muddy (non-exposed); transition (mixed; sandy-muddy); as studies show that productivity and resilience of seagrass beds are different in these different substrates.

6.1.11 The meeting then considered the advice provided by the RSTC in document UNEP/GEF/SCS/RWG-SG.1/6 and agreed to work on the development of the criteria and data and information needs in the form of a table, comparable to that produced by the Regional Working Group for Mangroves. In this connection Drs. Kuriandewa presented a tabulation of criteria prepared by his national committee, which is attached as Annex 6 to this report.

6.1.12 An initial draft tabulation was prepared in plenary. Subsequently it was agreed that a small group would work on this overnight, for presentation to the meeting and adoption in the morning. The outcome of the deliberations of the small group was considered, and agreed as contained in Annex 7 of this report.

6.2 Other relevant activities in the region

6.2.1 Following a brief discussion of various initiatives at the national and regional level involving seagrass, it was agreed that participants would prepare, as part of their review of national data and information a review of ongoing projects and activities for consolidation and distribution by the Project Co-ordinating Unit.

6.2.2 Dr. Fortes informed the meeting of the initiation of Seagrassnet (www.seagrassnet.org) and encouraged countries that were not currently involved to join and take advantage of the support network during the site characterisation phase of activities.

7. DATA AND INFORMATION NEEDS FOR THE SEAGRASS SUB-COMPONENT

7.1 Review of the Seagrass related sections of the National Reports and the Transboundary Diagnostic Analysis, produced during the preparatory phase of the project

7.1.1 Dr. Kirkman, presented a table providing an analysis of the information regarding seagrasses contained in the national reports prepared during the preparatory phase of the project which was discussed and amended and is attached as Annex 8 to this report.

7.1.2 Professor Huang, Chairperson invited participants to make a brief presentation regarding the contents of the national reports highlighting the inadequacies and any new information which might have become available since their finalisation in 1998.

7.1.3 Mr. Sour noted that in Cambodia, there were laws under the responsibility of two different Ministries; Ministry of Agriculture, Forestry, and Fisheries (Fisheries Law of the Department of Fisheries) and Ministry of Environment (Environmental Law). These two sets of laws deal with living aquatic resource management and conservation. The new Fisheries Law deals more specifically with seagrass. In terms of institutional infrastructure, financial support (for management), and human resources the overall capacity is limited. Therefore, capacity building on seagrass management and conservation is urgently required. The root cause of loss and degradation are poverty of local people, lack of capacity for sustainable management among all stakeholders including local government and the local community, and the use of destructive fishing gear (such as trawl and push nets); explosive fishery, and encroachment of foreign fishing vessels.

7.1.4 Professor Huang noted that there are about 10 species of seagrass in Southern China, the most common species being *Zostera japonica*, *Halophila beccarii*, *Halophila ovalis* and *Halodule uninervis*. The majority of the species are found in Hainan and Guangxi Provinces. He suggested that, there might be transboundary issues regarding seagrasses between China and Viet Nam. He noted that there is no specific legislation relating to seagrasses in China, but there are Marine Environmental Laws, that may provide protection to seagrass habitats. There is little information regarding the economic value of seagrass in China. According to some sources there were dugong associated with seagrass in Guangxi and Hainan.

7.1.5 Drs. Kuriandewa presented an overview of the present state of seagrass research, management and conservation in Indonesia. He noted: the need for capacity building; the scarcity of information particularly for seagrass beds in the remote areas; the need for training on seagrass monitoring and management; the importance of the project in providing financial support to work on seagrasses given the small contributions of his government to work on seagrass ecosystems; and, the lack of understanding of the importance of seagrass ecosystems at the community level.

7.1.6 Mr. Kamarruddin noted that there was no specific legislation in Malaysia, regarding the management and/or protection of seagrass beds and that they are under direct management through existing mechanisms such as the Malaysian Marine Parks and the non-trawl zone within 5 km of the shore. Turtles were an important transboundary species in the marine area bordering Malaysia and Philippines.

7.1.7 Dr. Fortes informed the meeting that there are now 16 species of seagrass recorded from the Philippines whilst dugong and four species of turtle, and 55 species of fish from 25 families were recorded from seagrass meadows in the country. Studies in the Kalayan Islands suggest that these islands could be a "sink" for seagrass propagules and a "source" for *H. uninervis*. Concerning legislation there is no specific seagrass legislation and protection is through coastal user consensus, but "*Bantay Isay*" (Seagrass Watch) is implemented under an Executive Order from the Mayor of Puerto Galera Biosphere Reserve and this represents the first ever legislation on seagrass in the Philippines.

7.1.8 Regarding ongoing activities Dr. Fortes noted the Coastal Environment Program of the Department of Environment and Natural Resources (DENR); others are mostly inter-related, regional and bilateral projects e.g. EU, Japan Society for the Promotion of Science (JSPS), Packard Foundation, some local projects on integrated coastal management, Diversitas International Western Pacific Area (DIWPA). Regarding Economic Valuation it was noted that in the valuation of a coastal habitat affected by oil from a stranded tanker the estimated damage to a 65 x 25 m seagrass area was \$29,400 US.

Finally it was noted that the latest estimate for the area of seagrass beds in 96 sites in the Philippines was 978 km².

7.1.9 Dr. Suvaluck noted that at the present time, 10 species of seagrass were recorded from the South China Sea coast of Thailand. Transboundary issues include encroachment of fishing vessels; international trade in goods such as sea horses, and sea cucumbers. Relevant legislation includes the Fisheries Act B.E. 2490; the Environmental Quality Promotion and Control Act B.E. 2535; National Policy and Plan for Promoting and Protecting the Environment B.E. 2540 – 2559; Pattani Province Declaration; Financial Support (for management); established action plan for seagrass in the East coast 2546 (support from government); Fisher folk Network in the South (from NGOs). It was noted that no information was available regarding economic valuation in Thai seagrass areas.

7.1.10 Dr. Nguyen Van Tien noted that in Viet Nam, the Can Dao area supports significant seagrass meadows recognized by the World Bank and IUCN as being of regional significance and that these are also of transboundary significance. From this island dugongs and seagrass residents may move back and forth to Cambodia. There are 14 species of seagrass including *Ruppia maritima* and 120 species of seaweed; >100 fish species and > 150 invertebrates recorded from Vietnamese seagrass communities. There is no specific legislation but legislation for marine resources provides indirect protection. There is a great need for capacity building on all aspects of seagrass.

7.2 National and regional sources of data and information

7.2.1 Mr. Yihang Jiang, Senior Expert presented the regional GIS database being developed by the Southeast Asian Regional Centre for the System for Analysis Research and Training of the International Geosphere Biosphere Programme (SEA-START RC) in Chulalongkorn University and noted that this would be made available free of charge to all Specialised Executing Agencies contracted within the framework of the UNEP/GEF Project. He noted that this was under construction and that numerous datasets had yet to be entered into the database. He noted further that no data regarding habitat distribution in the South China Sea had been entered into the system and that; the information provided by the National Committees would provide a basis for developing habitat layers within the system. In this connection Dr. Fortes informed the meeting that a global seagrass atlas would be published before the end of 2002.

7.2.2 The meeting requested the PCU to make arrangements for copies of the GIS database on CD ROM to be made available as soon as possible. In this context it was noted that the database that would be made available was in fact, only a sub-set of the entire database and that individual National Focal Points could request specific additional datasets. It was proposed that the PCU liaise with Dr. Snidvongs, Director of the SEA-START Regional Centre, and request a listing of the currently available datasets in order that the National Focal Points could specify those sub-sets that were required.

7.2.3 Mr. Jiang, also presented the regional data set regarding coral reef and mangrove habitat distribution in the South China Sea, as contained in the recently released, Reefs at Risk publication and noted that discussions were on-going regarding the incorporation of these data into the GIS database.

7.2.4 It was suggested that the national committees might wish to identify and make available to the PCU and SEA-START RC, publicly available datasets for inclusion in the regional GIS database and noted further that, Dr. Snidvongs had agreed to make arrangements for digitising appropriate datasets where these were available to the National Committees only in hard copy form. During the ensuing discussion it was noted that certain data were subject to security clearance in the countries of the region and that these data would not be readily available to the project participants. In this context the meeting was informed that the South China Sea database was intended as an open access data set based on publicly available materials.

7.2.5 The meeting was informed that the regional meta-database being developed by Chulalongkorn University with financial support from various sources, including the EAS/RCU of UNEP, would contain information regarding the nature of regional datasets, their location, ownership and conditions of access.

7.2.6 Mr. Jiang, further informed the meeting that UNEP was currently in possession of a set of Landsat images with full global coverage that could be made available to the National Committees on

request. He indicated that arrangements would be made for appropriate images to be included within the SEA-START, SCS database.

8. DISCUSSION AND ADOPTION OF THE WORKPLANS FOR THE NATIONAL COMMITTEES AND REGIONAL WORKING GROUP FOR 2002-2003

8.1 The draft workplan prepared by the Secretariat was presented and considered by the meeting. During the course of discussion clarification was sought regarding what was intended by the term "National criteria". This was discussed and an explanatory footnote added to the table.

8.2 Drs. Kuriandewa and Mr. Sour indicated that given the absence of extensive data regarding seagrass distribution in their countries it would be necessary to conduct rapid surveys of sites in order to complete the site characterisation process. The Project Director indicated that this was possible using the funds transferred to the SEAs. It was agreed that Dr. Fortes would provide details of the rapid survey techniques that would be applicable for this purpose, to the PCU for distribution to all National Focal Points.

8.3 Dr. Fortes informed the meeting that the World Conservation Monitoring Centre in Cambridge had an extensive database, which would be of value in initiating the process of national database creation.

8.4 The workplan was amended and approved as contained in Annex 9 of this report.

9. ANY OTHER BUSINESS

9.1 Reports from the National Seagrass Committees

9.1.1 Dr. Tien reported that the National Committee had been formed and was composed at present of 8 members and had commenced work. He noted that of the total of 14 species of seagrasses found in Vietnam 6 were found in Hue lagoon, which also has a high diversity of associated biota. He informed the meeting that two species of *Zostera*, *Z. japonica* and an unidentified *Zostera* species were to be found in Vietnamese waters, which must represent the southernmost limit of distribution.

9.1.2 Dr. Fortes informed the meeting that the Philippines National Seagrass Committee consisted of 9 members including a lawyer, a natural products chemist, ecophysiologist, a member of the Department of Foreign Affairs, and a representative of the Palawan Council for Sustainable Development, and representatives of the Department of Environment and Natural Resources and the Fisheries Department. An initial meeting had been held to develop a concept paper for the activities of the sub-component but it was the intention of the group to communicate on a regular basis via electronic meetings. He reported on the formation of the seagrass network in the region and expressed the hope that the project would assist in strengthening this network. He noted that the Marine Science Institute of the University of the Philippines was designated by JSPS as the repository centre for Southeast Asia in the framework of SSINEA – Seaweed Seagrass Information Network for East Asia. He noted that the National Committee had selected 6 sites in conjunction with the Coral Reef Committee for initial characterisation within the framework of project activities.

9.1.3 Drs. Kuriandewa noted that he had reported on the activities of his committee under other agenda items and that he had provided a CD ROM to the Project Director containing a full report of the activities to date, which included the development of criteria, development of a brochure on Indonesian seagrasses and a poster for increasing public awareness of the importance of seagrass habitats. He noted further that most of the coastal projects and activities in Indonesia focussed on Coral Reefs and that whilst seagrasses were covered by such activities they were not the primary focus. He informed the meeting that it was the intention of the committee to establish a structure for management of seagrass in Indonesia that would continue to exist beyond the life of the project.

9.1.4 Dr. Suvaluck noted that in the South of Thailand there was a strong network of 14 NGO's working on habitat conservation encompassing a broad approach to mangroves, coral reefs and seagrass systems. She noted the importance of developing simple but reliable indicators of the impact

of management activities and coastal development and noted that she had personally participated in provision of training for this purpose.

9.1.5 Mr. Kamarruddin reported that he was aware of a number of academic studies of seagrasses in Malaysia and that his committee would attempt to assemble this information. Regarding threats he noted that port construction, and pollution were the main threats. He noted further that, seagrasses received less attention nationally than coral reefs or mangroves and that there were fewer seagrass experts in Malaysia compared with coral reef specialists. He noted however that some individuals in Malaysia were involved in regional and global seagrass initiatives. He informed the meeting of the Southeast Asia Sea Turtle Associative Research (SEASTAR) project on marine turtle migration and movements in the region and indicated that following tagging at breeding beaches in Malaysia, Thailand and the Philippines, this project had identified three areas of feeding concentration of turtles (Sulu Sea, Natuna, and Batam Islands) which were probably seagrass beds.

9.1.6 Professor Huang reported that the Chinese National Seagrass Sub-committee consists of 7 members including experts in marine ecology, marine environment, nature conservation, economics, and a representative of the National Planning Committee. They also invited seagrass experts from Hongkong to take part in this sub-component.

9.1.7 Mr. Sour noted that seagrass was first surveyed in Cambodia in 1997, via a project entitled "Environmental Coastal Zone Management" funded by the Danish International Development Agency (DANIDA). This included a baseline survey, when project counterparts from various agencies were asked to collect baseline information not only on seagrass but also on coral reefs and mangroves. Seagrass beds were mapped and plotted in GIS format. Some field visits were conducted and samples collected for species identification.

9.1.8 Dr. Pernetta requested the National Focal Points to provide him with a list of the committee members, together with their contact details.

10. DATE AND PLACE OF THE NEXT MEETING OF THE REGIONAL WORKING GROUP FOR SEAGRASS

10.1 Offers to host the next meeting of the RWG-SG were made by the Focal Points from Indonesia, Philippines and Viet Nam. The Malaysian Focal Point noted that it would be difficult for him to offer to host the next meeting, but hoped that by that time the MoU would be signed and he would like to offer to host the third meeting.

10.2 Following an extensive discussion of the merits of the alternative proposed locations it was agreed that the meeting would be convened in Hue, Viet Nam and that it would be extended by one day to enable a field visit to be included in the programme. The dates of the meeting would thus run from 28th to 31st October 2002, inclusive. Dr. Tien would liaise with the Project Co-ordinating Unit regarding the logistics for the meeting.

11. ADOPTION OF THE REPORT OF THE MEETING

11.1 Dr. Kirkman, rapporteur presented the report of the meeting, which was considered, amended, and adopted as contained in this document.

11.2 Drs. Kuriandewa proposed and Dr. Chittima seconded the motion for adoption of the report, which was passed unopposed.

12. CLOSURE OF THE MEETING

12.1 On behalf of the Executive Director of UNEP and in his personal capacity Dr. Pernetta thanked the participants for their hard and constructive work during the meeting, which had been very productive and had been conducted in a friendly and pleasant atmosphere. Dr. Pernetta assured participants that he would be in regular contact with the Focal Points regarding the progress of the work and he looked forward to meeting everyone again in Viet Nam.

12.2 Professor Huang, the Chairperson thanked the participants for their hard work and support during the course of the meeting. He declared the meeting closed at 1500hrs on 8th May 2002.

ANNEX 1

List of Participants

Focal Points

Cambodia

Mr. Kim SOUR
Department of Fisheries
Ministry of Agriculture, Forestry and Fisheries
186 Norodom Blvd.
P.O. Box 582
Phnom Penh, Cambodia
Tel: (855 23) 215796
Fax: (855 23) 215796
E-mail: catfish@camnet.com.kh;
sourkim@hotmail.com

Indonesia

Mr. Tri Edi KURIANDEWA
Puslit OSEANOGRAPHI, LIPI
Pasir Putih 1
Ancol Timur
Jakarta
Indonesia
Tel: (62 21) 683 850; 316 9288; 08129005737
Fax: (62 21) 681 948
E-mail: kuriandewa@yahoo.com
indo-seagrass@centrin.net.id

Philippines

Dr. Miguel FORTES, Professor
Marine Science Institute
University of the Philippines (MSI/UP)
Diliman, Quezon City
Philippines
Tel: (632) 922 3959, 922 3958
Fax: (632) 924 7678
E-mail: fortesm@upmsi.ph,
mdfortes@pacific.net.ph

Viet Nam

Dr. Nguyen Van TIEN, Vice Director
Haiphong Institute of Oceanology
246 Da nang Street
Hai Phong City, Viet Nam
Tel: (84 31) 760 599, 761 523
Fax: (84 31) 761 521
E-mail: nv tien@hio.ac.vn

People's Republic of China

Mr. Xiaoping HUANG, Professor
South China Sea Institute of Oceanology
Chinese Academy of Sciences
164 West Xingang Road
Guangzhou 510301
Guangdong Province, China
Tel: (86 20) 8445 1335 ext. 627
Fax: (86 20) 8445 1672
E-mail: xphuang@scsio.ac.cn

Malaysia

Mr. Kamarruddin Bin IBRAHIM
Head
Department of Fisheries Malaysia
Turtle and Marine Ecosystem Center (TUMEC)
23050 Rantau Abang, Dungun
Terengganu, Malaysia
Tel: (609) 845 8169; 09 845 3169 (direct)
013 9812500
Fax: (609) 845 8017
E-mail: kamarruddini@yahoo.com

Thailand

Dr. Suvaluck SATUMANATPAN
Assistant Professor
Faculty of Environment & Resource Studies
Mahidol University, Salaya Campus
Nakorn Pathom 73170, Thailand
Tel: (66 2) 441 5000 ext. 187
01 700 7512
Fax: (66 2) 441 9509-10
E-mail: ensnt@mahidol.ac.th

Invited Regional Experts

Dr. Chittima ARYUTHAKA
Department of Marine Science
Faculty of Fisheries
Kasetsart University
Bangkheng, Bangkok 10900, THAILAND
Tel: (66 2) 579 7610; 561 3469
Fax: (66 2) 561 4287
E-mail: ffiscta@ku.ac.th

Project Co-ordinating Unit Member

Dr. Hugh KIRKMAN
Coordinator (EAS/RCU)
United Nations Environment Programme
United Nations Building, 9th Floor, Block A
Rajdamnern Avenue
Bangkok 10200, Thailand
Tel: (662) 288 1860
Fax: (662) 281 2428
E-mail: kirkman.unescap@un.org

Project Co-ordinating Unit

Dr. John PERNETTA, Project Director
UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand
Tel: (66 2) 288 1886
Fax: (66 2) 281 2428
E-mail: pernetta@un.org

Dr. Annadel CABANBAN
Expert – Community Based Management
UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue, Bangkok 10200, Thailand
Tel: (66 2) 288 2279
Fax: (66 2) 281 2428
E-mail: cabanban@un.org

Ms. Unchalee KATTACHAN
Secretary, UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand
Tel: (66 2) 288 1670
Fax: (66 2) 281 2428
E-mail: kattachan.unescap@un.org

Mr. Yihang JIANG, Senior Expert
UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand
Tel: (66 2) 288 2084
Fax: (66 2) 281 2428
E-mail: jiang.unescap@un.org

Ms. Charuvan KALYANGKURA
Administrative Assistant, EAS/RCU
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand
Tel: (66 2) 288 1894
Fax: (66 2) 281 2428
E-mail: kalyangkura@un.org

ANNEX 2

List of Documents

Working documents

UNEP/GEF/SCS/RWG-SG.1/1	Provisional agenda.
UNEP/GEF/SCS/RWG-SG.1/2	Annotated provisional agenda.
UNEP/GEF/SCS/RWG-SG.1/3	Draft report of the meeting (to be prepared during the meeting).
UNEP/GEF/SCS/RWG-SG.1/4	Outline of Seagrass Related Activities Described in the UNEP/GEF Project Brief and Project Document entitled: <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> .
UNEP/GEF/SCS/RWG-SG.1/5	Flow Chart of Actions for the Seagrass Sub-Component in the UNEP GEF South China Sea Project.
UNEP/GEF/SCS/RWG-SG.1/6	Elements for consideration by the Regional Working Groups for habitats in developing criteria for prioritising areas of intervention.
UNEP/GEF/SCS/RWG-SG.1/7	Workplan for calendar year 2002.

Information documents

UNEP/GEF/SCS/RWG-SG.1/INF.1	Provisional list of documents.
UNEP/GEF/SCS/RWG-SG.1/INF.2	Provisional list of participants.
UNEP/GEF/SCS/RWG-SG.1/INF.3	Draft programme.
UNEP/GEF/SCS/RWG-SG.1/INF.4	Management Framework and Reporting Structures for the UNEP/GEF Project entitled: <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> .
UNEP/GEF/SCS/RWG-SG.1/INF.5	Financial Rules and Financial Reporting Requirements for National Focal Points Operating in the Framework of the UNEP/GEF Project entitled: <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> .
UNEP/GEF/SCS/RWG-SG.1/INF.6	Terms of Reference for the Regional Working Group on Seagrass (as approved by the First project Steering Committee, Bangkok, Thailand, October 22-23 rd 2001).
UNEP/GEF/SCS/PSC.1/3	First Meeting of the Project Steering Committee for the UNEP/GEF Project <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> . Report of the First Meeting. UNEP/GEF/SCS/PSC.1/3. UNEP, Bangkok Thailand, 2000.
UNEP/GEF/SCS/RSTC.1/3	First Meeting of the Regional Scientific and Technical Committee for the UNEP/GEF Project <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> . Report of the First Meeting. UNEP/GEF/SCS/RSTC.1/3 Pattaya, Thailand, 14-16 March 2002.
UNEP/GEF/SCS/RSTC.1/4	Expectations of the Global Environment Facility (GEF) with Respect to Project Execution; Constraints and Opportunities.
UNEP/GEF/SCS/RWG-W.1/3	First Meeting of the Regional Working Group for the Wetland

Sub-component of the UNEP/GEF Project “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand” **Report of the First Meeting**. UNEP/GEF/SCS/ RWG-W.1/3 *Phuket, Thailand, 24-26th April 2002*.

UNEP/GEF/SCS/RWG-M.1/3

First Meeting of the Regional Working Group for the Mangrove Sub-component of the UNEP/GEF Project “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand” **Report of the First Meeting** UNEP/GEF/SCS/ RWG-M.1/3 *Phuket, Thailand, 29th April –1st May 2002*.

~~The following documents are available to participants as both hard copies and on CD Rom~~

Talaue-McManus, L.

Transboundary Diagnostic Analysis for the South China Sea. **EAS/RCU Technical Reports Series No. 14**. UNEP, Bangkok, Thailand, 2000.

UNEP/EAS/RCU

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. UNEP. Bangkok, Thailand, 2001.

UNEP/EAS/RCU

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. UNEP. Bangkok, Thailand, 2001.

UNEP/EAS/RCU

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. UNEP. Bangkok, Thailand, 2001.

UNEP/EAS/RCU

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. UNEP. Bangkok, Thailand, 2001.

UNEP/EAS/RCU

National report of the Philippines on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.

UNEP/EAS/RCU

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. UNEP. Bangkok, Thailand, 2001.

UNEP/EAS/RCU

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. UNEP. Bangkok, Thailand, 2001.

ANNEX 3

Agenda

- 1. OPENING OF THE MEETING**
 - 1.1 Welcome address**
 - 1.2 Introduction of members**
- 2. ORGANISATION OF THE MEETING**
 - 2.1 Designation of officers**
 - 2.2 Organisation of work**
- 3. ADOPTION OF THE MEETING AGENDA**
- 4. TERMS OF REFERENCE, MEMBERSHIP AND RULES OF PROCEDURE FOR THE REGIONAL WORKING GROUP ON SEAGRASS (RWG-SG)**
 - 4.1 Terms of reference for the working group**
 - 4.2 Membership of the working group**
 - 4.3 Rules of procedure**
- 5. MANAGEMENT AND OVERALL OBJECTIVES OF THE UNEP/GEF PROJECT ENTITLED: *“REVERSING ENVIRONMENTAL DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”***
 - 5.1 Reporting relationships and responsibilities of the Regional Working Group and its role in achieving project objectives**
 - 5.2 Fiscal responsibilities (recording & reporting) of the National Focal Points of each Specialised Executing Agency**
- 6. OVERALL GOALS AND OBJECTIVES OF THE COMPONENT “HABITAT DEGRADATION AND LOSS” AND THE “SEAGRASS” SUB-COMPONENT**
 - 6.1 General description of activities contained in the Project Brief**
 - 6.2 Other relevant activities in the region**
- 7. DATA AND INFORMATION NEEDS FOR THE SEAGRASS SUB-COMPONENT**
 - 7.1 Review of the Seagrass related sections of the National Reports and the Transboundary Diagnostic Analysis, produced during the preparatory phase of the project**
 - 7.2 National and regional sources of data and information**
- 8. DISCUSSION AND ADOPTION OF THE WORKPLANS FOR THE NATIONAL COMMITTEES AND REGIONAL WORKING GROUP FOR 2002-2003**
- 9. ANY OTHER BUSINESS**
 - 9.1 Reports from the National Seagrass Committees**
- 10. DATE AND PLACE OF THE NEXT MEETING OF THE REGIONAL WORKING GROUP ON SEAGRASS**
- 11. ADOPTION OF THE REPORT OF THE MEETING**
- 12. CLOSURE OF THE MEETING**

ANNEX 4

Financial Rules and Financial Reporting Requirements for National Focal Points Operating in the Framework of the UNEP/GEF Project entitled: *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*

Background

During the first meeting of the Regional Scientific and Technical Committee held in Pattaya, March 22-25 2002 members requested that the Project Co-ordinating Unit provide some notes for guidance of the individuals in the Ministries and Specialised Executing Agencies regarding the management of the funds and reporting requirements. This document has been produced by the PCU in response to that request.

What follows therefore is a simple outline of the budgetary constraints and reporting requirements, rather than a full detailed listing of the United Nations financial rules and regulations.

Budget Planning and approval

The overall project budget was estimated by UNEP on the basis of planned activities approved by COBSEA and the participating Governments. These estimates were summarised in the Project Brief at the time of submission to the GEF Council for approval as total costs for each component and subcomponent of the Project. Hence variations in allocation between components of the Project can only be made with authority of the GEF Council.

Subsequently, during the appraisal phase from December 2000 to October 2001 extensive negotiations were undertaken between UNEP and the Focal Point Ministries in each participating country regarding the allocation of resources to activities within each component. The overall project budget, broken down by object of expenditure in UNEP format was approved by the first Project Steering Committee meeting, held in Bangkok, Thailand, October 22-23rd 2001. This meeting also approved the government commitments of in-kind contributions to the project.

Overall Budget Control

The body with over-riding authority with respect to the entire project budget is the Project Steering Committee, which approves on an annual basis the workplans and budgets for the project. In practical terms what this means is that, at the end of each year the Project Steering Committee decides how any unspent balance should be reallocated, and makes decisions regarding the budget allocations for demonstration sites. The Project Steering Committee must however operate within the framework budget presented in the Project Brief by component and approved by the Global Environment Facility Council at the time of submission of the Project Brief. Effectively this means that the Project Steering Committee has authority to move funds between activities in each component but not to transfer funds from one component to another.

~~For example:~~ money approved by the GEF as grant support to activities in the coral reef component cannot be transferred to the mangrove component, for example.

The Project Steering Committee has approved the initial budgetary allocations to the Specialised Executing Agencies at National level for the first two years on the basis of which the first instalment of funds has been transferred to all Specialised Executing Agencies with which UNEP has signed Memoranda of Understanding.

Responsibilities of the Specialised Executing Agencies

The responsibilities of the Specialised Executing Agencies are detailed in each Memorandum of

Understanding and include *inter alia* responsibility for Chairing and convening meetings of the National Committees, for producing the national inputs to the regional level activities and for advising at the national level, the National Technical Focal Point and National Technical Working Group of priorities activities which should be undertaken within the framework of the Project. In addition the Specialised Agencies are responsible for presenting the national perspective at the Regional Working Groups and providing to the Regional Working Groups and Regional Scientific and Technical Committee the data and information required to make decisions and recommendations at the regional level. The substantive needs will be more closely defined during the first sets of meetings of the Regional Working Groups.

Disbursement by UNEP to the SEAs

In order to undertake the substantive work described in the MoU's the GEF has provided grant funds for project execution. These monies will be disbursed by ESCAP on behalf of UNEP at six monthly intervals according to the terms given in the MoU. As noted above the first instalment of funds has been disbursed **as a cash advance** following joint signature by UNEP and each SEA, of the MoUs.

In terms of fiscal responsibility within the United Nations System the Project Director authorises financial expenditures including disbursement of funds to the SEAs, in accordance with the project document, and the workplans and budget approved by the Project Steering Committee. The Senior Expert certifies that adequate funds exist to support the payments authorised. These authorities are delegated from the Head of the United Nations Office at Nairobi (UNON), and UNEP headquarters, Nairobi.

Each MoU contains a budget in UNEP format, which indicates the purpose for which the funds are provided by UNEP to the Specialised Executing Agencies. Funds have been allocated in these budgets to the production of the required national level information, for the convening of meetings, for translation and for other purposes as indicated by the UNEP budget code; for example the extract below is taken from the budget table for a National Specialised Agency serving as the Focal Point for Land Based Pollution and represents the anticipated reporting costs. No expenditures on publications are foreseen during 2002 hence these funds will be transferred in 2003 in two separate allotments around January and June 2003.

Table 1. Example extract from the budget for a Specialised Executing Agency acting at National level as the Focal Point for the Seagrass sub-component of the Project (US\$ thousands)

		2002		2003		TOTAL
		1st	2nd	1 st	2nd	
5200	Reporting costs - publications, maps, newsletters, printing.					
5216	Translation			2.00	2.00	4.00
5217	Publication of National Review of Water Quality data			3.00		3.00
5218	Publication of evaluation of costs and benefits of alternative courses of action and pre-feasibility studies				3.00	3.00
5299	Total	0.00	0.00	5.00	5.00	10.00

Expenditures by the SEAs

Each SEA is authorised under the terms of the MoUs to spend the cash advances in accordance with the detailed budget, which forms part of each MoU. Since the money in the budgets of the MoUs is provided to the SEAs by UNEP in advance of the SEAs incurring any expenditure, UNEP will not reimburse expenditures for items not detailed in the approved budget.

Unplanned costs

In undertaking the work agreed by the Regional Working Groups Specialised Executing Agency may find that they need to spend money on items not currently listed in the budgets of the MoUs. Under such circumstances the Focal Point in the SEA must contact the Project Director to seek changes in the budget to accommodate these un-planned expenditures.

Over-expenditures

Where an item or an activity costs more than originally estimated then the Specialised Executing Agency would need to examine the budget and see whether cost savings can be achieved in other parts of the budget. Any such savings could then be transferred between lines to prevent an over-expenditure occurring. In cases where quotations are obtained which exceed the allocations the Focal Point should contact the PCU to arrange for a revision of the budget. Such a revision should be completed before the over-expenditure is incurred. Focal Points should note that reallocation of funds between lines, which fall into the same component (i.e. 5000 numbers) is generally accepted automatically, but reallocation of funds from 2000 to 3000 lines for example should only be done with the agreement in writing of the Project Director.

Under-expenditures

At the end of a six-month period the Specialised Executing Agency might find that the anticipated costs of a particular activity have been less than originally planned. For example in the Table presented above the SEA might find that only 1,800 US\$ had been spent on translation by June 30th 2003, hence 200 US\$ would remain unspent in budget line #5216. This money can be carried forward on the same budget line if for example it was expected that the costs of translating of the second publication would be more than the planned 2,000 US\$. Alternatively the unspent funds can be reallocated internally, for example to produce more copies of the publication, subject to the approval in writing of the Project Director. In this case the funds would be removed from budget line #5216 and reassigned to budget line #5217 or #5218 as appropriate.

Revising the budget

In the event that unplanned expenditures, under-expenditures or over-expenditures are foreseen the Focal Point in the Specialised Executing Agency is advised to contact the Project Co-ordinating Unit promptly to seek a budget revision, since as noted above UNEP cannot reimburse expenditures which are not part of the approved budget contained in the MoU.

Reporting requirements

At the end of each six-month period the SEA is required under the terms of the MoU to provide three documents to the Project Co-ordinating Unit as follows:

- Six Monthly expenditure statement
- Cash advance request.
- Six monthly progress report

Without these three documents the Project Co-ordinating Unit cannot authorise the cash advance for the next six months.

The six monthly expenditure statement should report the actual expenditures which have occurred up to the 30th June and 30th December in the form provided in an Annex to the MoU and reproduced here as Table 2. At this time any under expenditures will become apparent and a revision of the budget may be undertaken as necessary.

At the same time that the SEA reports the actual expenditures for the previous six months it completes **a cash advance request** in the form annexed to the MoUs and reproduced here as Table 3. This constitutes a request from the SEA to UNEP to advance monies against the expenditures anticipated in the next six months.

Supporting documentation for expenditures

If an item of equipment has been purchased, then the **original receipt for payment must** be dispatched with the six monthly expenditure statement, since until the time of completion of the project the equipment remains the property of the United Nations (Transfer to the partner institution is normally automatic on completion of the project).

If a consultancy contract has been issued for a specified piece of work then a **copy of the signed**

contract should also be supplied with the expenditure statement, together with a **copy of the original product** produced by the consultant.

If expenditures are incurred in organising a meeting then a copy of the report of the meeting and any substantive outputs must be supplied to UNEP.

If travel by air has been paid for then an original receipt must be supplied with the expenditure statement.

Whilst UNEP does not require that original receipts for all expenditures be submitted at the time the expenditure report is dispatched **they must be retained by the Specialised Executing Agency** until such time as the external audit report of the organisation has been submitted to, and receipt acknowledged by, the PCU. Ideally receipts should be retained on file until completion of the project and financial closure of the MoU. In the event of an audit the Specialised Executing Agency **may be** required to produce the original receipts by the United Nations auditors.

It is strongly recommended therefore that each SEA retain original documentation demonstrating the nature of each expenditure until such time as the terms of the MoU have been fulfilled.

Substantive Reporting

One further report is required from each SEA on a six monthly basis. This is the Six Monthly Progress Report in the form as annexed to the MoUs and attached here as Table 3. In this report the substantive activities and outputs of the SEA and National Committees are detailed and it is on the basis of this report together with the substantive outputs (copies of which should be sent to the PCU) that UNEP judges whether or not the terms of the Memorandum have been met in a satisfactory manner.

Without the six monthly expenditure report, the six monthly progress report and cash advance request the PCU cannot authorise any subsequent cash advances. It is important therefore that the Focal Points adhere as closely as possible to the reporting requirements in order to ensure a steady flow of funds and smooth operation of the project.

Table 2
FORMAT OF SIX MONTHLY PROJECT EXPENDITURE ACCOUNTS FOR SUPPORTING ORGANIZATIONS
Project statement of allocation (budget), expenditure and balance (Expressed in US\$) covering the period
from.....to.....

Project No.:.....

Project title:

Project commencing:.....

Supporting organization:.....

Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand

(date)

Project ending:..... (date)

Object of expenditure in accordance with UNEP budget codes	Project budget allocation for the half year ending	Expenditure incurred for the half year ending	Unspent balance of budget for the half year ending
	Amount (1)	Amount (2)	Amount (1-2)
1100 Project personnel 1101 1200 Consultants 1201 Consultants etc. etc. etc. <i>(USE OBJECTS OF EXPENDITURE IN ACCORDANCE WITH THE SIGNED MEMORANDUM OF UNDERSTANDING)</i>			
99 GRAND TOTAL			

Signed _____

Designation: _____

Duly authorised official

NB: The expenditures should be reported in line with the specific object of expenditures as per project budget.

File ID: K:\FORMATS\APP4SOQE.WQ1 melag

Table 3
CASH ADVANCE REQUEST

Statement of cash advance as at _____

And cash requirements for the six month period ending _____

Name of co-operating agency/
Supporting organization _____

Project No. _____

Project title: Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand

I Cash Statement:

1. Opening Cash Balance as at _____ US\$ _____
2. Add: cash advances received
Date: _____ US\$ _____
Date: _____ US\$ _____
Date: _____ US\$ _____
Date: _____ US\$ _____
3. Total cash advanced to date US\$ _____
4. Less: total cumulative expenditures incurred US\$ _____
5. Closing cash balance as at _____ US\$ _____

II Cash requirements forecast

6. Estimated disbursements for period ending _____
7. Less: closing cash balance (item 5, above)
8. Total cash requirements for the period ending _____

Prepared by _____ Request approved by: _____

Name: _____

Duly authorized official of co-
operating agency/ supporting
organization

Table 4

**UNITED NATIONS ENVIRONMENT PROGRAMME
SIX MONTHLY PROGRESS REPORT**

SECTION 1 - BACKGROUND INFORMATION

- 1.1 Project Title: ~~Reversing Environmental degradation in the South China Sea and Gulf of Thailand~~
- 1.2 MOU Number: _____
- 1.3 Responsible Office: ~~South China Sea Project Co-ordination Unit, Bangkok~~
- 1.4 Specialised Executing Agency (Supporting Organization):

- 1.5 Reporting Period: (the six months covered by this report) _____
- 1.6 Focal Point Name: _____

SECTION 2 - PROJECT STATUS

2.1 Status of the Implementation of the Activities and Outputs Listed Under the Workplan in the Memorandum of Understanding (check appropriate box)

☐ Project activities and outputs listed in the Project workplan for the reporting period have been material completed and the responsible Office is satisfied that the project will be fully completed on time (give reasons for minor variations as Section 3 below).

☐ Project activities and outputs listed in the Project Workplan for the reporting period have been altered (give reasons for alterations: lack of finance; project reformulated; project revisions; other at Section 3 below).

☐ Project activities and outputs listed in the Project Workplan for the reporting period have not been fully completed and delays in project delivery are expected (give reasons for variations in Section 3.1 and new completion date in Section 3.2 below).

☐ Insufficient detail provided in the Project Workplan.

2.2 List Actual Activities/Outputs Achieved in the Reporting period: (check appropriate box)

(a) **MEETINGS** (Duplicate this box for each meeting individually)

☐ Inter-Ministry mtg ☐ Expert Group Mtg. ☐ Training Seminar/Workshop ☐ Others

Title: _____

Venue and
dates _____

Convened by _____ Organized by _____

Report issued as doc. No/Symbol _____ Languages _____ Dated _____

For Training Seminar/Workshop, please indicate: No. of participants _____ and attach **annex** giving names and nationalities of participants.

(b) PRINTED MATERIALS (Duplicate this box for each printed item)

☐ Report to IG Mtg. ☐ Technical Publication ☐ Technical Report ☐ Others

Title: _____

Author(s)/Editor(s) _____

Publisher _____

Symbol (UN/UNEP/ISBN/ISSN) _____

Date of publication _____

(When technical reports/publications have been distributed, attach distribution list)

(c) ☐ **TECHNICAL INFORMATION** ☐ **PUBLIC INFORMATION** (posters, leaflets, broadcasts etc.)

Description

Dates _____

(d) SERVICES

Description

Dates _____

(e) OTHER OUTPUTS

SECTION 3 - PROJECT DELIVERY

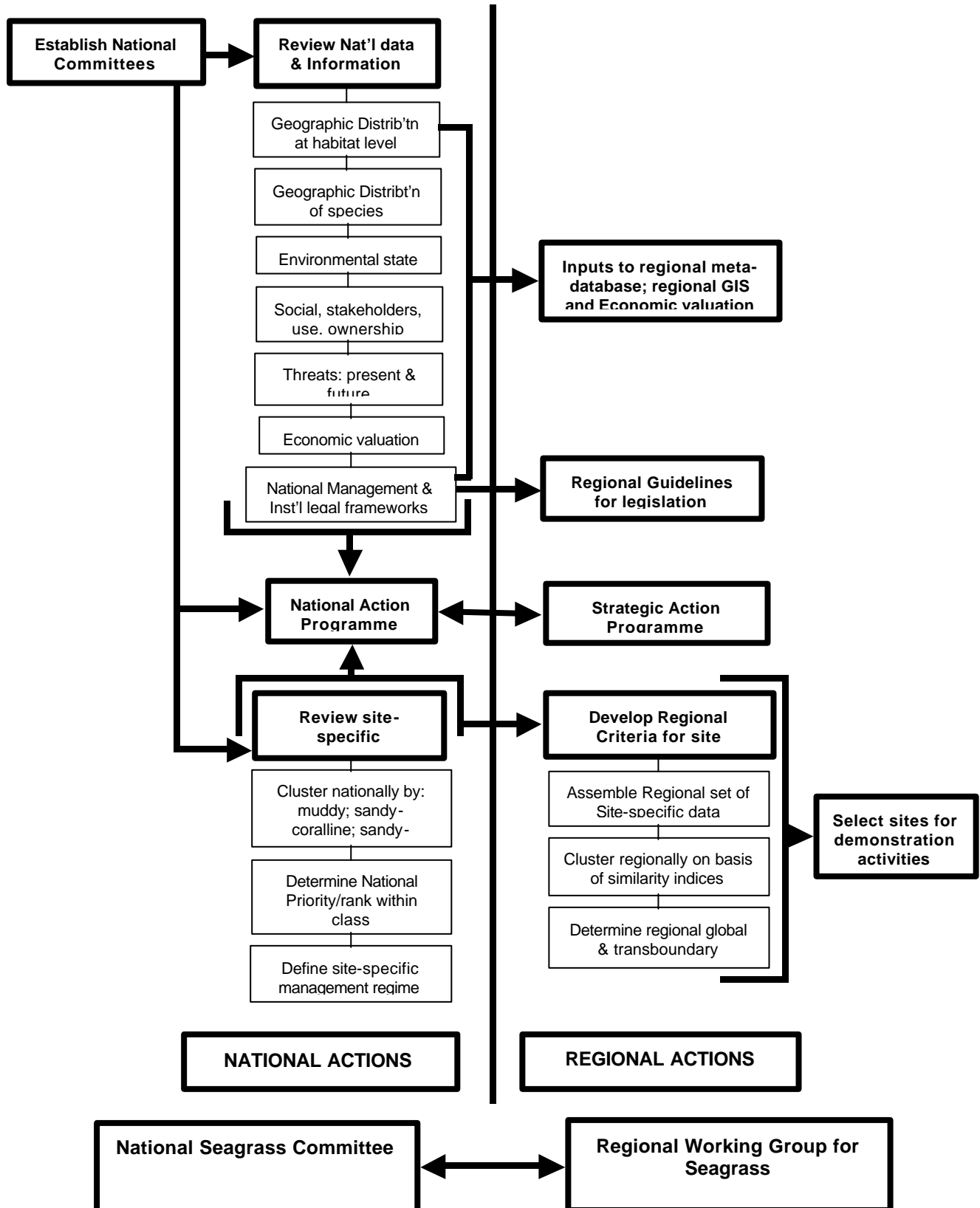
3.1 Summary of the Problems Encountered in Project Delivery (if any)

3.2 Actions Taken or Required to Solve the Problems (identified in Section 3.1 above)

Signed: _____
Name: _____
Designation: _____

ANNEX 5

Flow Chart of Actions for the Seagrass Sub-component of the UNEP/GEF Project



ANNEX 6

Selection Criteria for Demonstration Sites Prepared by the National Seagrass Committee of Indonesia

Ecological Criteria

1. **Diversity** - variety or richness of ecosystems, habitats, communities and species. Areas having the greatest variety should receive higher ratings. However, this criterion may not be applied to simplified ecosystems, such as some pioneers or climax communities, or areas subject to disruptive forces, such as shores exposed to high-energy wave action.
2. **Area Extent** - extended of seagrass coverage, a large area with a dense bed, a large area with a patchy bed.
3. **Naturalness** - the lack of disturbance or degradation. Degraded systems will have little value for fisheries or tourism and will give little biological contribution. A high degree of naturalness scores highly. If restoring the degraded habitats is a priority, a high degree of degradation may scores highly.
4. **Representativeness** - the degree to which an area represents a habitat type, ecological process, biological community, physiographical feature or other natural characteristic.
5. **Associated Ecosystems** - variety of surrounding ecosystems (mangrove, estuarine, coral reef).
6. **Importance to Endangered Species** - the area, which gives supports to the habitat or feeding ground of endangered species (dugong and sea turtles).

Socio-economic Criteria

Social – Criteria

1. **Social Acceptance** - the degree to which the support of local people is assures. Every effort should be made to canvass local support. When the area is already protected by local tradition or practice, it should be encouraged, and the area should receive a higher rating. An “official” protected area designation may not be necessary if local support is high, to ensure government recognition of the area.
2. **Accessibility** - the ease of access across both land and sea (the distance from the international airport, nearest city, hotel). Areas to be used by visitors, students, researchers and fishermen must be accessible to them. The more accessibility, the greater the value; but the greater the level of use, the greater the like hood of conflicting interests and the greater the impact of users. Accessibility weights height for a demo site with predominantly social objectives, fairly for those with economic goals and low for those meeting ecological criteria.
3. **Research and Education** – the degree to which an area represents various ecological characteristics and can serve for research and demonstration of scientific methods. Areas that clearly demonstrate different habitat types and ecological relationships and area sufficiently large both to serve conservation and accommodate teaching should receive a higher rating.
4. **Safety** - the degree of danger to people from strong currents, surf, submerged obstacles, waves and other hazards. The principle users will often be swimmers, snorkellers, divers and boaters. It is important that they are able to pursue their activities safety.

5. Conflict and Compatibility - the degree to which an area may help to resolve conflicts between natural resource values and human activities, or the degree to which compatibilities between them may be enhanced. If an area can be used to exemplify the resolution of conflicts in the region, it should receive a higher rating.

Economic Criteria

1. Importance to Species - the degree to which certain commercially important species depend on the area.

2. Importance to Fisheries - the number of dependent fishermen and the size of fishery yield. The greater the dependence of fishermen on an area and the greater its yield of fish, the more important it becomes to manage the area correctly and to ensure sustainable harvest.

3. Nature of Threats - the extent to which changes in use patterns threaten the overall value to people. Habitats may be threatened directly by destructive practices, such as fishing with explosives and certain bottom trawls, or by overexploitation of resources. Areas traditionally harvest by local fishermen become important to manage. The number of fishermen on these grounds may increase, bringing extra pressure to bear on stocks and habitats. Even if the numbers do not change, the capture methods that yield more catches per unit effort may replace the traditional capture methods. The stocks of some species may not be capable of withstanding such increased exploitation of their breeding population. In this way whole species have disappeared from fishing ground or have become exceedingly rare.

4. Economic Benefit - the degree to which protection will affect the local economy in economic affect local economy in long term.

Practical Criteria

1. Existing Infrastructure - availability of supporting facilities for field works, sample and data analysis, literatures, identification books and accommodation.

2. Effectiveness - the feasibility of implementing biological and ecological study of seagrass ecosystem.

3. Existing Scientific Information - availability of scientific results to support the biological and ecological study of seagrass ecosystem.

ANNEX 7

Parameters, Indicators, Data and Information Requirements for Characterising, Seagrass Sites for the UNEP/GEF Project “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”

Parameters	Indicators	Data & Information Requirements	Units	Remarks
Geographical				
Location	Seagrass bed	Central position of areas<10 ha GPS boundary or number (min. 4) paired coordinates for larger areas; end points for linear strips	Lats and longs	Provide location map
Area - extent	Seagrass bed	> 1ha	ha	Large scale map
Physical/chemical				
Substrate type	Substrate Class of seagrass ¹	Particle size class	Micron-cm 3 categories	
Sediment Quality	Organic matter	Historic & available data	mg/g	
	Heavy Metals		mg/l, µg/l	
	Nitrate		mg/l, µg/l	
Exposure	Fetch, current	Typhoons, wind speed, direction, frequency	Km, km/h	
Monsoon exposure				
Tidal regime		Range; type (diurnal, semi-diurnal, mixed)	m	
Depth		Tape measure	m	
	light	Light meter	µE/ m ² /sec	
Salinity	Distance to freshwater inflow, hyper salinity	GPS	km	
		Refractometer Salinity meter	ppt	
Water Quality	Heavy metals, POPs, nutrients,	Historic & available data	mg/l, µg/l	
	Algal blooms	Historic & available data	mg/l	
Dredging and reclamation,	Suspended sediment	Sediment traps	g/ m ² /d	
		Secchi disks	m	

¹ Seagrass classes are based on substrate type namely: sandy coralline (exposed); muddy (non-exposed); transition (mixed; sandy-muddy).

Parameters	Indicators	Data & Information Requirements	Units	Remarks
Biological				
Diversity	Seagrass	Number of species	#	
	Seagrass	Density of each species	g/m ²	
	Penaeids	Number of species	#/ m ²	
	Gastropods	Number of species	#/ m ²	
	Seahorses	Number of species	#/ m ²	
	urchins	Number of species	#/ m ²	
	Siganids	Number of species	#/ m ²	
	holothurians	Number of species	#/ m ²	
	starfish	Number of species	#/ m ²	
	Presence of endangered ² and/or threatened species e.g. Dugong, turtles, seahorses, giant clams	Provide details of presence or absence and abundance where possible.	#/ha	
Productivity	seagrass		mg/ g/ d	
Associated habitats	Mangrove, coral & assoc. habitats, estuaries, freshwater	Km to nearest associated habitat		
Socio economic				
poverty	Low standard of living	statistics	Income/person/yr	
pop'n pressure	Population size	Density	No.people/km ²	
	Population growth	Growth rate	Increase per annum	
	Distance	km of Seagrass bed to centre of nearest coastal centre of population	km	
fishing damage	Damaged seagrass	Seagrass Density biomass area	shoots/m ² g/ m ² m ²	
over fishing	Declining resource catch	Resource statistics	cpue	
Trampling, gleaning	Seagrass damage Density of gleaned organisms		Density shoots/m ² # / h #/ m ²	
Parameters	Indicators	Data & Information Requirements	Units	Remarks
Management status	managed		Yes or No	Describe management

² Use the IUCN criteria for endangered, threatened, and commercially threatened species.

				regime
Transboundary				
Shared			Yes or No	Provide map
Biodiversity	Migratory species or shared stocks	Number and kind species		List species
Cross border impacts	Impacts on seagrass	Area of impact Change is species composition or abundance	m ² , ha nos species nos. individuals	List species lost
	Overfishing	Declining catch	cpue	

ANNEX 8

Review of the Seagrass Sections in the National Reports prepared for the Transboundary Diagnostic Analysis of the South China Sea

The following tabulation indicates the presence or absence of data and/or information on five key elements required for the revision of the Regional Strategic Action Programme and the determination of criteria for priority ranking of regional demonstration sites.

	Diversity	Transboundary Significance	Specific Legislation	Financial support for management	Economic value	Remarks	Pp in report
Cambodia	6 species dugong, turtle	Cambodia and Viet Nam but no information Foreign fishing fleet	no	Needs to be updated data/information from international projects (incl. SIF, ADB, DANIDA-ICZM)	N/a	Root cause of loss: poverty, lack of capacity, overfishing, destructive fishing trawl and pushnet; Low education; L-b pollution.	57-58 69-70 97
China	10 species	China and Viet Nam	Law on the Marine Environment but not specific to seagrass	Needs capacity building Govt. spent \$10 million US to protect sg	N/a	Dugong, juvenile fish habitat,	29 36-37
Indonesia	13 species including Ruppia; list of assoc species	Frequent visits from foreign fishers	No direct conservation areas containing seagrass	COREMAP Needs experts on seagrass	S.g included in cost of \$20 billion for degradation	No Root cause analysis but poverty mentioned; Lack of capacity. Area turtle breeding, feeding resting area (Derawan Is)	93-94 129
Malaysia	13 species	Oil spills, Possible dugong and turtle feeding grounds (Philip & Borneo)	MPA legislation non trawling zones to 5km off coast	Indirect support - IRPA Project Seagrass, dugong and Fisheries Interaction (UMS & stakeholders)	N/a	Dugong, feeding, breeding and nursery grounds for commercial fish. Poverty, lack of capacity	24 (dugong) 36-37
Philippines	16species; 7 species prawn; 4 spp. turtles; 55 spp. fish; Dugong.	Kalayaan Is sink and source. Unsustainable and damaging fishing	Non-specific, Seagrasswatch (batay Isay in Puerto. Galera Biosphere Reserve	Coastal Environment Programme of DENR Bilateral regional and national projects	Not specific P54 for oil spill 65m x 25m cost US\$29,400	MECS, capacity building Area estimate in Philip. 978 sq km	37-39 MECS P78
Thailand	10 species	Fishing, International trade seahorse, holothurians	Direct-Fisheries Act B.E.2490 & indirect	Monitoring of spawning grounds, and eliminate pushnet Establish MPA	Thesis being prepared for Surat Thani	Trawling, pushnetting, land development, suspended solids dugong	29-33 action P86
Viet Nam	N/a			Lacking P 89	Fertiliser, animal food, nursery area	Dugong, pushnetting, root cause poverty hence reclamation public awareness low P89	76-79

ANNEX 9

Workplan Timetable and schedule of meetings for the Regional Working Group on Seagrass, 2002-2003

Table 1 Schedule of Meetings for 2002

	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T
January																														
February																														
March																														
April																														
May																														
June																														
July																														
August																														
September																														
October																														
November																														
December																														

Official United Nations Holidays in Thailand

UNEP/GEF/SCS/RWG-SG.1/3

Annex 9

page 2

Table 2 Workplan and Timetable for completion of agreed activities in the Seagrass Sub-component: 2002

	2002									2003	
	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb
National Committee meetings	X	X	X	X	X	X	X	X	X	X	X
NTWG Meetings			X				X				
Review National Reports											
Review Regional database and respond											
National Activities											
Review of past & ongoing projects			1 st draft			Final draft					
Review National Data & Information											
Creation of National database											
Identification & characterisation of “sites”						1 st draft			2 nd draft		
Review National Criteria ³											
Review economic valuation data & information											
Review threats at site level											
Review National legislation						1 st draft			Final draft		
Review National level management regimes											
Identify proximate to ultimate cause by source											
National Prioritisation of sites											
Identify priority points of intervention											
Evaluate barriers to action & possible solutions											
Preparation/revision of National Action Programme											
Regional Co-ordination											
Regional Criteria development											
Second meeting RWG-SG								x			
Development of Regional Priorities											
Finalisation of elements of the SAP											

³ Criteria for assigning conservation and or management status and/or zoning and importance given to seagrass meadows in coastal zone management plans.

Table 3 Workplan and Timetable for completion of agreed activities in the Seagrass Sub-component: 2002 - 2003

[illegible]