



United Nations  
Environment Programme



UNEP/GEF South China Sea  
Project



Global Environment  
Facility

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

**REPORT**

**Second Meeting of the Project Steering Committee**

***Hanoi, Viet Nam 16<sup>th</sup> – 18<sup>th</sup> December 2002***

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## **Report of the Meeting**

### **1. OPENING OF THE MEETING**

#### **1.1 Opening address**

1.1.1 Dr. John Pernetta, Project Director welcomed participants to the meeting on behalf of Dr. Klaus Töpfer, the Executive Director of UNEP, and Dr. Ahmed Djoghlaif, Director, UNEP, Division of Global Environment Facility Co-ordination. He expressed his pleasure that, members had been able to participate and wished the meeting success in its deliberations.

#### **1.2 Welcome address**

1.2.1 The Honourable Vice-Minister of Natural Resources and Environment, Dr. Nguyen Cong Thanh, welcomed the participants to Hanoi, Viet Nam. He noted that as a developing country, Viet Nam pays particular attention to environmental protection and has ratified most international environmental conventions. Viet Nam has shown numerous achievements in socio-economic development and environmental protection under the guidelines for *"rapid economic growth accompanied with social equity enhancement and environmental protection"*.

1.2.2 The Vice-Minister expressed the high appreciation of the Government of Viet Nam to UNEP, and the GEF, for implementing the UNEP/GEF project and noted that, this was a significant project involving regional co-operation, which is necessary and helpful to the countries in the region in their efforts to protect the marine environment.

1.2.3 Honourable Dr. Nguyen Cong Thanh noted that, the presence of all members at the second meeting of the Project Steering Committee clearly signified the willingness of all parties to co-operate in protecting the marine environment and thanked the Project Director and staff of the project Co-ordinating Unit for their support to Viet Nam, and to the other participating countries. He expressed his best wishes for a successful meeting.

#### **1.3 Introduction of members**

1.3.1 As this was the first full meeting of the committee following commencement of project implementation and a number of National Focal Points had changed since the last meeting in October 2001, in Bangkok, members and designated alternates were invited to introduce themselves to the meeting and to provide a brief outline of their experience, expertise, and involvement in the development and implementation of the project.

1.3.2 There followed a round of brief introductions by all participants during, which it was noted that the Honourable, Deputy Minister for Environment from Indonesia was unfortunately delayed and would arrive later in the day. The list of participants is contained in Annex 1 of this report.

### **2. ORGANISATION OF THE MEETING**

#### **2.1 Election of officers**

2.1.1 The Rules of Procedure, as agreed during the first meeting of the Project Steering Committee (PSC), (paragraph 10.2.2 of document UNEP/GEF/SCS/PSC.2/3) allow for the election of a Chairperson, Vice-Chairperson, and Rapporteur to serve until the convening of the subsequent regular meeting of the committee. Members were invited to elect a Chairperson, Vice-Chairperson, and Rapporteur from amongst the members, in accordance with Rule 15, of the Rules of Procedure.

2.1.2 Mr. Meas Sophal, alternate for the National Focal Point of Cambodia nominated Mrs. Kluephan Baitrakul, designated alternate for the National Focal Point of Thailand as Chairperson, and Mrs. Kluephan was elected by acclamation.

2.1.3 Dr. Vo Si Tuan nominated Mr. Fernandino Y. Concepcion, designated alternate for the National Focal Point of the Philippines as Vice Chairperson and Mr. Concepcion was elected by acclamation.

2.1.4 Mr. Robert Jara, alternate for the National Technical Focal Point for the Philippines, nominated, Dr. Zulkifli Idris, National Focal Point for Malaysia as Rapporteur and Dr. Zulkifli was elected by acclamation.

2.1.5 The meeting noted that, Dr. John Pernetta, Project Director, would serve as Secretary to the Committee, assisted by Mr. Yihang Jiang, Senior Expert. The Officers of the Committee assumed their positions and the Chairperson took over the conduct of the business of the Committee.

## **2.2 Co-option of members**

2.2.1 The Committee noted that under Rule 6 of the Rules of Procedure, alternate representatives who had been nominated later than the due date should be co-opted as full members of the committee.

2.2.2 The two alternate representatives from the Philippines, Mr. Fernandino Y. Concepcion, alternate for the National Focal Point, and Mr. Robert Jara, alternate for the National Technical Focal Point, and the alternate for the National Technical Focal Point from Thailand, Dr. Nawarat Krairapanond, were duly co-opted as full members of the committee.

## **2.3 Documentation available to the meeting**

2.3.1 Dr. Pernetta, Secretary to the Committee introduced the discussion and information documents together with the report of the Regional Scientific and Technical Committee (RSTC) meeting that, had been adopted during the meeting, held in the preceding week, in Nha Trang, Viet Nam. He noted that a number of the published documents had been distributed in hard copy form and that others had been circulated electronically and had also been posted on the project website <<http://www.unepscs.org>>.

2.3.2 Mr. Sudariyono noted that, a number of the documents presented to the meeting had been discussed and modifications made during the recently completed Regional Scientific and Technical Committee Meeting. It was agreed that, modifications and amendments proposed during the RSTC meeting would be highlighted as each document was discussed. The list of documents available to the meeting is contained in Annex 2 of this report.

## **2.4 Programme of work and administrative arrangements for the conduct of the meeting**

2.4.1 The Chairperson then presented the proposed programme of work contained in information document UNEP/GEF/SCS/PSC.2/Inf.3. The meeting noted that it would conduct its business in English, and in plenary, and accepted the proposed programme of work.

## **3. ADOPTION OF THE MEETING AGENDA**

3.1 The provisional agenda for the meeting contained in discussion document UNEP/GEF/SCS/PSC.2/1, was then presented to the committee for consideration. There being no additional items proposed for inclusion, nor amendments, Mr. Jara moved, and the meeting agreed to adopt the agenda, as contained in Annex 3 of this report.

## **4. OPENING STATEMENTS ON BEHALF OF THE PARTICIPATING COUNTRIES**

4.1 The senior officials from each country participating in the UNEP/GEF project were then invited to give brief opening statements regarding their countries participation in the project.

4.2 Dr. Nguyen Ngoc Sinh, National Focal Point, for Viet Nam and Director General, National Environmental Agency, noted that the project had made considerable progress in Viet Nam during the year and noted further that, Viet Nam had recently re-organised its Ministries such that the environmental responsibilities of government were now located in a new Ministry, the Ministry of Natural Resources and Environment. He expressed appreciation for the work done during the year by the Project Co-ordinating Unit (PCU) and for the rapid progress made, and noted that, the Inter-Ministry Committee (IMC) had been established with wide representation from many Ministries.

4.3 Mr. Concepcion expressed his pleasure at participating in the meeting and noted that the Philippines now had a new Minister for Environment and Natural Resources. He expressed appreciation to the Government of Viet Nam for hosting the meeting and noted that in the Philippines progress had been made but that some administrative difficulties had been encountered, which were now successfully resolved. He noted that the IMC had met and agreed to its terms of reference and that: it had been recently briefed by the technical persons from the SEAs, regarding progress in the various project components.

4.4 Dr. Nawarat, on behalf of the Royal Thai Government, thanked Viet Nam for hosting the second meeting and noted that, the project was complex with many activities, which had shown significant progress during the year. Despite some difficulties in networking he noted that overall the project was well received in Thailand and that he looked forward to fruitful discussions over the next three days. Dr. Nawarat noted that, like Viet Nam, the Government Departments had recently been restructured and that responsibility for project co-ordination now lay with the newly created Ministry of Natural Resources and Environment.

4.5 Dr. Zulkifli, stated that, the Government of Malaysia welcomed the UNEP/GEF project and noted further that, although internal difficulties had delayed the signing of the Memoranda of Understanding this was not an indication of a lack of support but rather reflected internal difficulties, which had now been resolved. He noted that there was some reluctance on the part of the Fisheries Department of Malaysia to become involved in the fisheries component but that he anticipated the remaining MoU covering mangroves would be signed in the near future once the operational details had been finalised.

4.6 Mr. Sudariyono requested that, the opening statement of Indonesia be deferred until after the arrival of the Honourable Deputy Minister, Dra. Liana Bratasida. Following her arrival Dra. Bratasida presented the opening statement in which she expressed deep appreciation and gratitude to UNEP and the GEF for their support and noted that this was a complex project involving seven countries and six components, which required considerable work to co-ordinate. She noted that the South China Sea marine basin was a valuable and fragile resource for the countries surrounding it and she believed that this project would stimulate renewed interest in regional co-operative management of the most diverse shallow water environment in the world.

4.7 Mr. Mingjian Chen, on behalf of the Government of China, thanked the Government of Viet Nam for hosting the meeting and stated that China had signed five Memoranda of Understanding covering various components of the project and that the government had provided significant co-financing (1.9 million US \$) to national activities associated with the project. He noted further the strong interest of the local governments in the project as shown by the investment of 30,000 US \$ in mangrove management. He noted that the IMC had first met in April and that it consisted originally of 15 members chaired by the State Environmental Protection Administration, but that the membership had recently been expanded following the addition of representatives of the three Provincial Governments bordering the South China Sea.

4.8 Mr. Meas Sophal, expressed appreciation to the Government of Viet Nam for hosting the meeting and thanks to UNEP and the GEF for their support to Cambodia enabling his government to participate in this important project. He noted that, as a consequence of the project there was now good co-operation between the Ministry of Environment and the Ministry of Agriculture, Forestry and Fisheries in executing project activities. He noted that the Inter Ministry Committee involved 14 Ministries and that the Government of Cambodia fully supported the project and looked forward to future collaboration in the context of the planned activities.

## **5. REPORT OF THE PROJECT DIRECTOR ON ACTIVITIES DURING 2002**

5.1 The Project Director was invited to present his report to the Project Steering Committee, for the year 2002, contained in document UNEP/GEF/SCS/PSC.2/4. In presenting this report, Dr. Pernetta noted that it had been prepared in advance of the second meeting of the RSTC and hence did not cover the decisions taken by that meeting, which would be presented by the Chairperson Dr. Tuan under a subsequent agenda item. The Project Director highlighted achievements during the year and noted that: substantive progress had been made in all project elements; that significant substantive reports had been prepared by many of the SEAs; but that progress was not even across all components and all countries.

5.2 Dr. Pernetta noted that: the PCU was fully staffed by 16<sup>th</sup> April but that adequate office space had only recently become available; that two meetings of the RSTC and the six regional working groups had been successfully convened during the year; and that in accordance with requests from the first round of regional working group meetings a GIS workshop had been convened in collaboration with SEA START RC that had completed arrangements for the creation of a regional GIS database and meta-database.

5.3 Members considered the report and congratulated the PCU on the substantial progress made during the course of the year. During the course of discussion members noted that, some of them had experienced difficulty in accessing the project website. It was agreed that the linking of the project website to the websites of the SEAs and Focal Ministries was highly desirable and that the project website should carry the logos of the Focal Ministries on the front page and those of the SEAs at appropriate points within the website.

5.4 Mr. Zulkifli, noted that it would be a good idea to share information from the national level via the website and proposed that a summary of national meetings should be provided to the PCU for posting on the website. The Project Director expressed strong support for this proposal and indicated that he would like to ensure that the web page became multi-lingual and that such summaries should be posted in both the national language and English. The Chairperson proposed and the meeting accepted this suggestion for immediate implementation. During discussion it was noted that Indonesia had already developed a dual language web page and that Thailand would be introducing such a website in the near future. It was also noted by Mr. Yihang Jiang that any agency willing to host a "mirror" site for the project web page should contact the PCU since such mirror sites could help to improve access region wide.

5.5 The Committee noted that access to the internet was limited in some countries and that, additional methods of publicising the project need to be developed. In this connection the Committee noted the production of a display for the GEF Assembly and expressed considerable interest in developing similar displays, brochures and posters in appropriate languages for use in the participating countries. The PCU indicated that they would be happy to assist the Focal Points in producing such materials and that funds would be made available for this purpose.

5.6 A number of minor amendments to the content of the report were noted during discussion and it was agreed that the Project Director would amend and update the report prior to its being distributed and posted on the Project Website. The Chairperson congratulated the Director on an excellent report, which was accepted by the Committee.

## **6. REPORT OF THE CHAIRPERSON OF THE REGIONAL SCIENTIFIC AND TECHNICAL COMMITTEE**

6.1 The Committee took note of the tabled report of the second meeting of the Regional Scientific and Technical Committee (document UNEP/GEF/SCS/RSTC.2/3) and Dr. Vo Si Tuan, Chairperson of the RSTC, presented the outcomes, decisions, and recommendations of the meeting, which had been held in Nha Trang, Viet Nam from 11<sup>th</sup> to 13<sup>th</sup> December 2002. In presenting his report Dr. Tuan noted the membership of the Committee, which had held two meetings during the year.

6.2 Dr. Tuan further noted that, during the first meeting the committee had developed guidelines for consideration by the Regional Working Groups of the elements that should be taken into consideration during development of the criteria for demonstration site selection. These guidelines had been further developed and expanded by the RWGs and the second meeting of the RSTC had agreed a procedure for the application of the criteria in determining the raking of potential demonstration sites. He further explained that it was the view of the RSTC that additional demonstration sites, other than the nine proposed for support from the GEF grant funds should be incorporated into the work of the project.

6.3 The Chairperson of the RSTC informed the Project Steering Committee that the RSTC had adopted some general guidelines for the conduct of the causal chain analyses, which needed to be completed for the potential demonstration sites in order to identify appropriate management interventions and that the documents adopted by the RSTC concerning the process of site selection and causal chain analyses would be distributed to all SEAs immediately following the closure of the PSC meeting.

6.4 Dr. Zulkifli, sought clarification regarding the recommendation of the RSTC regarding the reallocation of one element of the coral reef budgets and the Chairperson explained that the view of the Regional Working Group on coral reefs, which had been accepted by the RSTC was that the funds allocated to a review of blast fishing should be applied to a wider review of threats at site level. It was noted that the funds for testing of a pilot, blast fishing detection device would not be impacted by this decision since they were contained in a separate budget line which would be administered through the Regional Working Group on Fisheries.

6.5 Following some discussion and clarification, the report of the Chairperson, was accepted by, the Committee. Dr. Tuan thanked the PSC on behalf of the RSTC, and the PCU for their support during the conduct of the RSTC meetings.

## **7. WORK PROGRAMME ELEMENTS FOR 2003**

### **7.1 Anticipated outputs from the National Technical Working Groups (NTWGs)**

### **7.2 Anticipated outputs from the Regional Working Groups and Regional Scientific and Technical Committee (RSTC)**

7.2.1 The committee agreed to consider these two sub-items together and took note of document UNEP/GEF/SCS/RSTC.2/12 containing the agreed work plans, timetables and meeting schedules for the components, and sub-components of the South China Sea Project and noted further that the RSTC had discussed and agreed some modifications to the schedule for completion of tasks by the SEAs and RWGs that were directed towards the selection of demonstration sites.

7.2.2 The committee further noted that the revised schedule for these tasks was contained in Annex 6 of the report of the second meeting of the RSTC and that, the Chairpersons of the Regional Working Groups had agreed during the RSTC meeting that such an adjustment to the schedule was practical and acceptable.

7.2.3 Mr. Lee noted the difficulties of Malaysia with respect to meeting the proposed work plan and timetable and the Project Director confirmed that the funds originally allocated to each SEA remained unchanged and available for expenditure. He offered to visit Malaysia to assist the SEAs in developing realistic work plans and budgets that would enable them to meet the target dates during 2003. He noted in this connection that although the time available was limited the financial resources from 2002 allocations could be used in 2003 to involve more manpower in the work.

7.2.4 During discussion the importance of the Regional Scientific Conference as a venue for engaging the donor community in additional demonstrations sites was noted. It was further noted that, the proposed meeting schedule would involve an extended absence from duty of the PSC members and that some re-adjustment of this schedule might be needed to enable PSC members to attend the Conference and the PSC meeting. The Project Director noted that PSC members were encouraged to attend the Scientific Conference and accepted that the schedule as drafted might pose problems in this regard.

7.2.5 Mr. Jara noted that, on the revised schedule of tasks, National Action Plans were supposed to be revised and or produced by December 2003 but this would be too late for them to be adequately considered during the selection of demonstration sites at national level. The Project Director indicated that each MoU contained an on-going activity, which had already commenced concerned with the development of such National Action Plans. The indication in the schedule was that a final draft should be available in advance of the Project Steering Committee in order to reassure members that proposed demonstration sites were indeed considered a priority by the national governments. He noted that, by that stage national action plans might not have been formally adopted, but that some indication of national priority ranking would be important for donors.

7.2.6 Professor Li noted that next year would be crucial for the selection of demonstration sites and that this was viewed as an important activity by China. He noted that criteria would be different from the perspective of different donors and that in this regard the project should be guided by national government priorities and regional priorities considered important by the PSC.

7.2.7 The committee noted that: the necessary steps at the national level to achieve the goal of making decisions regarding demonstration sites during the third meeting of the Project Steering Committee, in December 2003, were as follows:

- I) By the time of the third Regional Scientific and Technical Committee meeting (proposed for 8<sup>th</sup> - 11<sup>th</sup> May, 2003) the National Technical Working Groups should be in a position to present a consolidated national position regarding the national priorities for demonstration sites. It is important therefore that, the NTWGs schedule a meeting in advance of the RSTC meeting to consider and review the outputs from the National Committees and Sub-Committees such that they are in a position to present, to the RSTC meeting, the national priorities for interventions in the demonstration phase of the project.
- II) Following the deliberations of the RSTC at its' third meeting the National Committees and Sub-committees will be expected to further refine the site specific proposals for interventions such that by the time of the fourth meeting of the RSTC, (proposed for 11<sup>th</sup> - 13<sup>th</sup> December 2003) fully costed and targeted proposals for intervention are presented to the committee for initial ranking, and the preparation of recommendations for site specific activities during the period 2004 to 2007.
- III) By the time of the third Project Steering Committee meeting scheduled for 21<sup>st</sup> – 23<sup>rd</sup> December 2003 participating countries should be in a position to advise the committee of the levels of in-kind, and where possible, cash co-financing that, the governments will make available in support of demonstration sites and activities.

7.2.8 The Committee further noted that: the necessary steps at the regional level to achieve this goal are as follows:

- I) By the time of the third Regional Scientific and Technical Committee meeting (proposed for 8<sup>th</sup> – 11<sup>th</sup> May 2003) the Regional Working Groups should, following their third meetings be in a position to present a consolidated regional position regarding the regional priorities for demonstration sites in the habitat sub-components, and for activities in the land-based pollution and fisheries components.
- II) Such a determination of regional priority pre-supposes that the National Committees and Sub-Committees will have completed their initial reviews of data and information, their site characterizations, and their reviews of national legislation and management frameworks at a sufficient level of detail for such a ranking to be undertaken.

7.2.9 The Project Steering Committee noted and approved the recommendations of the Regional Scientific and Technical Committee regarding the activities, outputs, targets, and milestones for 2003, at the national and regional levels.

### **7.3 Selection procedures for demonstration sites to be funded with GEF grant funds**

7.3.1 The Committee took note of the contents of discussion document UNEP/GEF/SCS/RSTC.2/10, entitled "*Guidance to the PSC on the nature and types of potential demonstration sites to be established within the framework of the UNEP/GEF Project entitled: "Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"*", and the recommendations of the RSTC that this be adopted as guidance to the Specialised Executing Agencies and Regional Working Groups in preparing recommendations and detailed proposals for demonstration sites.

7.3.2 Following some discussion during which various matters were clarified Mr. Jara moved and the committee agreed, to adopt the guidance presented in the document and requested that it be distributed to all SEAs as promptly as possible following closure of the meeting.

### **7.4 Regional framework activities**

7.4.1 In introducing document UNEP/GEF/SCS/PSC.2/6 the Project Director noted that there were two types of activities proposed in the document, those concerned with substantive aspects of the project, and those concerned with improvements in management and administrative procedures. He noted that the proposals for substantive actions included the creation of two Regional Task Forces one concerned with legal matters and one with economic valuation and for the continuation of current activities concerned with regional level data and information management.

7.4.2 The proposed management activities included monitoring and evaluation, peer review of substantive outputs from the national level and the proposal for an intern programme to provide capacity building in the areas of project design, and management and to familiarise people from the Focal Point Ministries with the operation of the United Nations system.

7.4.3 There followed a lengthy discussion of the purpose of the task force on legal matters during which the sensitivity of this matter was raised. It was noted that it was not the intention to create a task force that would interfere with the internal affairs of the participating countries but rather to provide a forum for discussion and exchange of ideas and experience and through which possible ideas could be made available for use at the national level should they so wish. It was proposed that the Secretariat draft detailed terms of reference for such a Task Force that would be considered during a subsequent session.

7.4.4 The draft terms of reference for a Task Force on legal matters was prepared by the Secretary and presented during the following mornings session. The details were discussed amended and approved by the Committee as contained in Annex 4 of this report.

7.4.5 During discussion the Committee agreed that the PCU would call for nominations to the Task Force and that each country would nominate individuals by 12<sup>th</sup> January 2003.

7.4.6 The Committee agreed to the establishment of a regional environmental economics group of specialists to assist the SEAs and the Regional Working Groups in the areas of economic valuation and cost benefit analysis; and encouraged the PCU to continue to collaborate with the SEA START RC in developing and strengthening the regional GIS and meta-databases.

7.4.7 The Committee took note of the need to initiate an independent evaluation towards the end of 2003 as one of the requirements of the GEF and UNEP and noted further that this would be paid for from the GEF implementation fee.

7.4.8 Some discussion took place concerning the need for independent peer review of the substantive outputs from the SEAs and the Project Director explained that the intention was to provide a measure of validation to the outputs that would be recognised outside the framework of the project. He explained further that the intention was not to be destructive rather to be constructive in assisting the SEAs in ensuring that, the outputs reached an acceptable international scientific standard. This would be good for the Project and for the SEAs. Following clarification of the mode in which this would be operated and following agreement that all members could propose individuals to be added to the roster of reviewers the Committee agreed to accept the introduction of a peer review process for the substantive outputs resulting from project activities.

7.4.9 The proposals for the establishment of an intern programme were considered in detail and it was agreed that this was a potentially beneficial activity but that periods of six months might be too long for some ministries who could not afford to lose the services of individual staff for such a period. It was agreed that the length of time could be varied but that the six-month cycle would permit an intern to see the entire cycle of meeting preparation and completion. It was agreed that the programme should be implemented and that it should be made available in as flexible a manner as possible. The Senior Expert agreed to make a proposed schedule of secondments available to the Committee.

7.4.10 It was proposed and agreed that Thailand and Indonesia would nominate for the first half of 2003, that Malaysia, Cambodia and China would nominate for the second half of 2003 and that Viet Nam and Philippines would nominate for the first half of 2004.

## **8. FINANCIAL AND BUDGETARY MATTERS**

### **8.1 Expenditure report for 2002**

8.1.1 The Chairperson invited the Project Director to introduce the expenditure report for 2002 contained in discussion document UNEP/GEF/SCS/PSC.2/7. Dr. Pernetta noted that the report included actual expenditures and obligations as of June 30<sup>th</sup> and October 31<sup>st</sup> 2002; together with estimated expenditures to December 31<sup>st</sup> 2002. The table also indicates the un-obligated balance of funds from the 2002 allotments contained in the budget approved by the Project Steering Committee in October 2001.

8.1.2 During discussion it was noted that some SEAs in Malaysia and Cambodia had apparently not received funds although the authorisation for their transfer had been issued some time ago. The Project Director clarified the procedure, informing members that once the expenditure reports, progress reports and cash advance requests had been received and cleared by the PCU he authorised ESCAP to effect the transfer of funds on behalf of UNEP and informed the SEA accordingly. ESCAP then instructed the bank in New York to make the transfer to the designated account and it was only some time later that the PCU would receive confirmation that the transaction had been made. If the bank did not have difficulty in making the transfer then the PCU automatically assumed that, the funds had been received by, the SEAs designated Bank.

8.1.3 He noted that if the funds were not received in the SEAs bank account then this was of as much concern to the PCU, as it was to the SEA and that, in order to speed the process all SEAs should assume that the money would be received in their Bank accounts within ten working days of his despatch of notice that the transfer had been authorised. In the event that the monies were not received within that time they should immediately inform the Fund Management Officer, Ms. Charuvan Kalyangkura, in the PCU and she would pursue the matter with ESCAP's accounts and finance section on behalf of the SEA.

8.1.4 The committee noted the review of expenditures for the year and the reasons for under-expenditure in certain components contained in the text of the report. The Project Steering Committee endorsed this expenditure report as being consistent with the budget approved in October 2001. The expenditure statement is presented in Annex 5 of this report.

### **8.2 Proposed operational budget for 2003**

8.2.1 The Committee agreed to consider and discuss agenda sub-item 8.2 in conjunction with the following agenda sub-item 8.3.

### **8.3 Framework budget, 2004 to 2007**

8.3.1 The Project Director introduced discussion document UNEP/GEF/SCS/PSC.2/8 containing proposals for a revised budget, taking into account under-expenditure in the period to December 31<sup>st</sup> 2002; agreed changes to the work programme; operational requirements based on the first year of operation of the Project Co-ordinating Unit; and, regional activities completed in 2002.

8.3.2 The Committee sought clarification regarding what authorisations were required, either from the GEF or from UNEP regarding the re-allocation of unspent funds. The Project Director clarified that the Project Steering Committee was the over-riding authority with respect to the allocation of project funds and that no request need be made to, nor agreement sought from the GEF, except in cases where a re-allocation between the agreed project components and activities was being undertaken. Since the GEF had approved funds on the basis of the project activities, money could not be easily transferred from the mangrove to the coral reef sub-components, for example.

8.3.3 He further clarified that changes to the UNEP budget, prepared by object of expenditure could be authorised by the Project Steering Committee, provided that the proposed changes were in accordance with the United Nations budgetary and financial rules. He noted that all UNEP project budgets were subject to compulsory annual revision at the end of the year to take account of under-expenditures and that the proposed budget revision if approved by the Project Steering Committee would merely be entered into the UNEP accounting system as an annual budget revision.

8.3.4 Some clarification was sought regarding rounding errors in the table presented to the committee and it was agreed that the full dollar values for the 2003 operational budget would be presented in the table to be appended to the meeting report. It was further noted by the committee that 2002 funds allocated to the SEAs under the sub-contracts budget line would need to be re-programmed into the 2003 budget for each agencies MoU and that the respective lines of the overall budget would be modified accordingly.

8.3.5 It was noted that no proposals for removal of unspent funds from any SEA were being made at this stage but that re-allocation of unspent funds would have to be reprogrammed at the end of 2003 when the demonstration site costs were known and discussed by the committee. The Chairperson asked whether unspent funds could be allocated to a demonstration site activity in 2004 and the Project Director indicated that this was certainly possible and was at the discretion of the Project Steering Committee.

8.3.6 The Committee noted that the proposed revision is divided into an operational budget for the calendar year 2003, together with a framework budget for the period 2004 to 2007. The framework budget is, as in the case of the originally approved budget, more generic, since it is anticipated that the individual costs of demonstration activities will only become apparent during 2003 once the sites and activities have been selected and agreed.

8.3.7 The Project Steering Committee approved, the revised operational budget for 2003, the framework budget for the period 2004 – 2007, and the carry-forward of unspent funds allocated for expenditure in 2002 under each sub-contract line in Sub-component 2000, for reallocation and expenditure in 2003, subject to an acceptable budget revision by the Specialised Executing Agencies concerned. The revised budget is presented in Annex 6 of this document.

#### **8.4 Proposals for developing mechanisms to secure financial sustainability**

8.4.1 The Committee took note of discussion document UNEP/GEF/SCS/PSC.2/9 regarding the development of mechanisms to secure financial sustainability and noted that the GEF resources should be used as a catalyst, to generate substantial new and additional, financial resources, and other support for future actions, in the countries of the region that, are designed to reverse the identified environmental degradation trends. They noted further that such financial resources could be derived from government in-kind, or cash co-financing, from public-private partnerships and from the establishment of revolving funds.

8.4.2 The Committee commended the PCU on the preparation of the document and agreed that, the development of a strategy for application in the framework of the project was a priority need during 2003. During discussion, the importance of engaging local governments, in the activities of the project was stressed by, several representatives, and Dra. Bratasida noted that, what was being planned in this project represented a concrete proposal to implement the agreements reached during the recently completed World Summit on Sustainable Development.

8.4.3 During the discussion Dr. Zulkifli raised the question of how the private sector could be concretely engaged in project activities and Dr. Pernetta suggested that there was no easy formula that could be applied but that, some existing experiences in the region could be used as a starting point, whilst the development of demonstration site proposals would provide an opportunity to attempt to engage concerned stakeholders from the private sector in supporting project activities. The need to share experiences amongst all participants in the project was strongly supported by the Committee.

8.4.4 The committee endorsed the strategy proposed in document UNEP/GEF/SCS/PSC.2/9 including the short-term actions designed to lead to the development of a broader and more detailed strategy, together with specific actions for consideration by the Project Steering Committee at its third meeting. The committee endorsed the contents of the document as contained in Annex 7 of this report.

## **9. BUILDING PARTNERSHIPS, EXTENDING AND STRENGTHENING STAKEHOLDER INVOLVEMENT**

### **9.1 Improving and Strengthening, information flow within the project management framework**

9.1.1 The Committee agreed to consider the three agenda sub-items together since they were presented in the single document UNEP/GEF/SCS/PSC.2/10 entitled: *“Building partnerships, extending and strengthening stakeholder involvement in the UNEP/GEF Project entitled: “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”* which provides a review of experience to date, together with some proposals for improving communication and the flow of information amongst the primary stakeholders, namely the participating governments.

#### **9.2 Mechanisms for securing wider involvement of stakeholders at the national level**

#### **9.3 Mechanisms for securing wider involvement of stakeholders at the regional level**

9.3.1 The Project Director introduced the discussion document noting that there were 18 specific recommendations contained in the document for consideration and decision by the Committee. He noted further that a number of these matters had been touched upon during the recently completed RSTC meeting and under earlier items on the agenda of the Project Steering Committee.

9.3.2 The Project Steering Committee considered, amended and approved the approaches outlined in the document, for implementation in 2003 as presented in Annex 8 of this report.

## **10. WORKPLAN AND TIMETABLE FOR THE PROJECT STEERING COMMITTEE**

### **10.1 Inter-sessional activities**

#### **10.2 Date and place of the next meeting of the Project Steering Committee**

#### **10.3 Obligations and authority of PSC members**

10.3.1 The Committee agreed to discuss all three agenda sub-items together, based on the contents of discussion document UNEP/GEF/SCS/PSC.2/11. The Committee noted that the document outlines a four-stage mode of operation for taking decisions between meetings of the PSC and agreed to adopt this proposed mode of operation, noting further that, there were a number of intersessional activities that would need discussion and decision during 2003.

10.3.2 The committee discussed at length the work plan and schedule of meetings and in the light of anticipated difficulties associated with senior officials being absent from their posts for extended periods of time agreed to postpone the third meeting of the Project Steering Committee to 21<sup>st</sup> - 23<sup>rd</sup> December 2003 thus allowing PSC members to attend the Regional Scientific Conference and return to their offices prior to attending the third meeting of the Project Steering Committee. The revised schedule and work plan are attached as Annex 9 to this report.

10.3.3 The Committee considered the manner in which the PSC meetings were convened and agreed to continue with the present mode on the understanding that members would need to make concrete commitments on behalf of their Ministries and Governments regarding co-financing during the next meeting.

10.3.4 The representative of the Philippines offered, on behalf of his government to host the third meeting of the Project Steering Committee in the Philippines and the offer was gratefully accepted by the Committee.

## **11. ANY OTHER BUSINESS**

11.1 The Chairperson invited members to raise any further item of business. There being no other matters raised, the meeting was adjourned to permit the Secretariat to finalise the report.

## **12. ADOPTION OF THE REPORT OF THE MEETING**

12.1 The Rapporteur, Dr. Zulkifli, presented to the Committee, for their consideration and adoption, the draft report of the meeting prepared by the Secretary to the Committee. The report was considered and amended, as it appears in this document, for public distribution via the project web-site.

12.2 Mr. Jara moved, and the Chairperson seconded, a motion that, the report be adopted as amended.

## **13. CLOSURE OF THE MEETING**

13.1 Dr. Nawarat proposed, on behalf of the Committee, a vote of thanks to the Government of Viet Nam for kindly hosting the second meeting of the Project Steering Committee.

13.2 Mr. Jara extended his thanks, on behalf of the Committee, to the staff of the PCU and to the host Ministry for their efficient operation of the business of the Committee.

13.3 Dr. Tuan thanked the Committee, for selecting Ha Noi as the venue for the second meeting, and expressed the hope that members had enjoyed their stay in Viet Nam.

13.4 The Chairperson also expressed her thanks, on behalf of the Committee, to the staff who had provided excellent support during the sessions and outside the formal agenda and to the members for their hard work. She proposed, and the meeting agreed that following successful completion of the business, the meeting be formally closed at 1500, on Wednesday, 18<sup>th</sup> December 2002.



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## ANNEX 2

### List of Documents

#### Discussion documents

UNEP/GEF/SCS/PSC.2/1/Amend.1	Provisional agenda
UNEP/GEF/SCS/PSC.2/2/Amend.1	Annotated provisional agenda
UNEP/GEF/SCS/PSC.2/3	Report of the meeting
UNEP/GEF/SCS/PSC.2/4	Draft Annual Report, January to December 2002 of the Project Director to the Project Steering Committee for the UNEP/GEF Project entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.”</i>
UNEP/GEF/SCS/PSC.2/5	Report of the Regional Scientific & Technical Committee to the Project Steering Committee for the UNEP/GEF Project entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.”</i>
UNEP/GEF/SCS/PSC.2/6	Regional Framework activities for implementation in 2003 and beyond.
UNEP/GEF/SCS/PSC.2/7	Expenditure Report for the Year 2002, for the UNEP/GEF Project entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.”</i>
UNEP/GEF/SCS/PSC.2/8	Proposed Budget Revision, for the UNEP/GEF Project entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.”</i>
UNEP/GEF/SCS/PSC.2/9	Proposals for consideration by the Project Steering Committee concerning the development of mechanisms to secure financial sustainability.
UNEP/GEF/SCS/PSC.2/10	Building partnerships, extending and strengthening stakeholder involvement in the UNEP/GEF Project entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.”</i>
UNEP/GEF/SCS/PSC.2/11	Draft work plan for 2003 for the Project Steering Committee of the UNEP/GEF Project entitled: <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.”</i>
UNEP/GEF/SCS/RSTC.2/8	Draft proposal for regional criteria for prioritising sites and selecting demonstration sites 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/RSTC.2/10	Guidance to the PSC on the nature and types of potential demonstration sites to be established within 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/RSTC.2/12	Agreed workplans, timetables and meeting schedules for the components, sub-components of the South China Sea Project and proposed schedule and workplan for the RSTC.

**Information documents**

UNEP/GEF/SCS/PSC.2/Inf.1/Amend.1	Provisional list of participants
UNEP/GEF/SCS/PSC.2/Inf.2/Amend.1	Provisional list of documents (this document)
UNEP/GEF/SCS/PSC.2/Inf.3	Draft programme
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 meeting. UNEP/GEF/SCS/PSC.1/3. UNEP, Bangkok Thailand.
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 meeting. UNEP/GEF/SCS/RSTC.1/3 Pattaya, Thailand, 14 - 16 March 2002.
UNEP/GEF/SCS/RWG-LbP.1/3	First Meeting of the Regional Working Group for the Land-based Pollution Component of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting. UNEP/GEF/SCS/RWG-LbP.1/3 Bangkok, Thailand, 3 - 5 April 2002.
UNEP/GEF/SCS/RWG-W.1/3	First Meeting of the Regional Working Group for the Wetland Sub-component of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting. UNEP/GEF/SCS/RWG-W.1/3 Phuket, Thailand, 24 - 26 April 2002.
UNEP/GEF/SCS/RWG-M.1/3	First Meeting of the Regional Working Group for the Mangrove Component of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting. UNEP/GEF/SCS/RWG-M.1/3 Phuket, Thailand, 29 April - 1 May 2002.
UNEP/GEF/SCS/RWG-SG.1/3	First Meeting of the Regional Working Group for the Seagrass Sub-component of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting. UNEP/GEF/SCS/RWG-SG.1/3 Bangkok, Thailand, 6 - 8 May 2002.
UNEP/GEF/SCS/RWG-CR.1/3	First Meeting of the Regional Working Group for the Coral Reef Sub-component of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting. UNEP/GEF/SCS/RWG-CR.1/3 Bangkok, Thailand, 9 - 11 May 2002.
UNEP/GEF/SCS/RWG-F.1/3	First Meeting of the Regional Working Group for the Fisheries Component of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting. UNEP/GEF/SCS/RWG-F.1/3 Bangkok, Thailand, 20 - 22 May 2002.
UNEP/GEF/SCS/EW.1/3	UNEP/GEF/SCS and SEA START RC, GIS Workshop in support of the UNEP/GEF Project <i>“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”</i> . Report of the meeting, UNEP/GEF/SCS/EW.1/3, Bangkok, Thailand, 7 - 9 August 2002.

- UNEP/GEF/SCS/RWG-W.2/3 Second 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 meeting. UNEP/GEF/SCS/RWG-W.2/3 Shenzhen, China, 4 - 7 September 2002.
- UNEP/GEF/SCS/RWG-M.2/3 Second Meeting of the Regional Working Group for the Mangrove Component of the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. UNEP/GEF/SCS/RWG-M.2/3 Ho Chi Minh City, Viet Nam, 10 - 13 September 2002.
- UNEP/GEF/SCS/RWG-LbP.2/3 Second Meeting of the Regional Working Group for the Land-based Pollution Component of the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. UNEP/GEF/SCS/RWG-LbP.2/3 Batam, Indonesia, 18 - 21 September 2002.
- UNEP/GEF/SCS/RWG-F.2/3 Second Meeting of the Regional Working Group for the Fisheries Component of the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. UNEP/GEF/SCS/RWG-F.2/3 Phuket, Thailand, 7 - 11 October 2002.
- UNEP/GEF/SCS/RWG-CR.2/3 Second Meeting of the Regional Working Group for the Coral Reef Sub-component of the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. UNEP/GEF/SCS/RWG-CR.2/3 Sihanoukville, Cambodia, 23 - 26 October 2002.
- UNEP/GEF/SCS/RWG-SG.2/3 Second Meeting of the Regional Working Group for the Seagrass Sub-component of the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. UNEP/GEF/SCS/RWG-SG.2/3 Hue, Viet Nam, 28 - 31 October 2002.
- UNEP/GEF/SCS/RSTC.2/3 Second Meeting of the Regional Scientific and Technical Committee for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. UNEP/GEF/SCS/RSTC.2/3. Nha Trang, Viet Nam 11 - 13 December 2002.



## **ANNEX 3**

### **Agenda**

- 1. OPENING OF THE MEETING**
  - 1.1 Opening address**
  - 1.2 Welcome address**
  - 1.3 Introduction of members**
  
- 2. ORGANISATION OF THE MEETING**
  - 2.1 Election of officers**
  - 2.2 Co-option of members**
  - 2.3 Documentation available to the meeting**
  - 2.4 Programme of work and administrative arrangements for the conduct of the meeting**
  
- 3. ADOPTION OF THE MEETING AGENDA**
  
- 4. OPENING STATEMENTS ON BEHALF OF THE PARTICIPATING COUNTRIES**
  
- 5. REPORT OF THE PROJECT DIRECTOR ON ACTIVITIES DURING 2002**
  
- 6. REPORT OF THE CHAIRPERSON OF THE REGIONAL SCIENTIFIC AND TECHNICAL COMMITTEE**
  
- 7. WORK PROGRAMME ELEMENTS FOR 2003**
  - 7.1 Anticipated outputs from the National Technical Working Groups (NTWGs)**
  - 7.2 Anticipated outputs from the Regional Working Groups and Regional Scientific and Technical Committee (RSTC)**
  - 7.3 Selection procedures for demonstration sites to be funded with GEF grant funds**
    - RSTC guidance regarding the nature and type of demonstration sites
    - Criteria for site selection
  - 7.4 Regional framework activities**
    - Economic valuation
    - Proposals for an intern programme
    - Monitoring and Evaluation
  
- 8. FINANCIAL AND BUDGETARY MATTERS**
  - 8.1 Expenditure report for 2002**
  - 8.2 Proposed operational budget for 2003**
  - 8.3 Framework budget, 2004 to 2007**
  - 8.4 Proposals for developing mechanisms to secure financial sustainability**
    - Government in-kind co-financing
    - Government cash co-financing
    - Public Private Partnerships
    - Revolving Funds
  
- 9. BUILDING PARTNERSHIPS, EXTENDING AND STRENGTHENING STAKEHOLDER INVOLVEMENT**
  - 9.1 Improving and Strengthening, information flow within the project management framework**
    - Role of the National Technical Focal Points and National technical Working Groups
    - Role of the Project Co-ordinating Unit

**9.2 Mechanisms for securing wider involvement of stakeholders at the national level**

- Public Private Partnerships and possible roles for the private sector
- Engaging Non-governmental and Community Based Organisations in project execution

**9.3 Mechanisms for securing wider involvement of stakeholders at the regional level**

- Project website
- Strengthening co-operation and collaboration with other GEF projects in the region
- Regional Science Conference and Partnership Workshop
- Communications, networking and publications

**10. WORKPLAN AND TIMETABLE FOR THE PROJECT STEERING COMMITTEE**

**10.1 Inter-sessional activities**

**10.2 Date and place of the next meeting of the Project Steering Committee**

**10.3 Obligations and authority of PSC members**

**11. ANY OTHER BUSINESS**

**12. ADOPTION OF THE REPORT OF THE MEETING**

**13. CLOSURE OF THE MEETING**

## ANNEX 4

### Regional Task Force on Legal Matters

#### INTRODUCTION

The project document envisages a number of activities conducted at the regional level, based on a mixture of consultancies and *ad hoc* expert workshops that would be undertaken in support of the core activities executed at national level.

On the basis of experience during the first year of operation; the work plans and timetables adopted by the Regional Working Groups; and, the anticipated short-term requirements of the agreed project work-plan and timetable, a strategic approach to regional framework activities was proposed, and agreed by the Project Steering Committee, together with specific activities for 2003.

Among the activities envisaged as being supported during the early stages of the project were a series of regional workshops, during which national legislation related to environmental management for sustainable development would be reviewed, with a view to drawing lessons from among the participating countries and providing assistance to those countries whose legislative base was less well developed. The intention was that the first of these meetings would be convened following receipt of the initial reviews of national legislation from the National Committees, via the Regional Working Groups and that a series of six such workshops would be convened over the five years of the project.

#### Terms of Reference

##### **Background and Context**

The overall goals of the project entitled "Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand" (hereafter called the South China Sea Project) are: to create an environment at the regional level, in which collaboration and partnership in addressing environmental problems of the South China Sea, between all stakeholders, and at all levels is fostered and encouraged; and to enhance the capacity of the participating governments to integrate environmental considerations into national development planning.

The medium term objective of the project is to elaborate and agree at an intergovernmental level, the Strategic Action Programme encompassing specific targeted and costed actions for the longer-term, to address the priority issues and concerns.

##### **Rationale and Purpose**

To facilitate the achievement of the regional goals and objectives, each participating country has agreed to undertake, in accordance with the conditions of the Memoranda of Understanding established with the 38 Specialised Executing Agencies in each country, a review of national legislation pertaining to the conservation and sustainable use of the habitats and resources of their coastal zones.

##### **Membership**

The Legal Task Force (LTF) for the South China Sea Project shall consist of well-qualified experts in environmental law, who shall serve as members in a personal capacity. Each participating country shall nominate such experts in accordance with procedures agreed by the Project Steering Committee.

The membership of the committee shall be formally established at the first meeting of the Committee, which shall elect a Chairperson, Vice-Chairperson and Rapporteur from amongst its members. The Vice-Chair shall act as Chairperson of meetings in the absence of the Chairperson.

## **Secretariat**

The PCU shall act as Secretariat to the LTF, and shall ensure that reports of the meetings are circulated to all members of the committee, the National Focal Points for the UNEP/GEF project and all SEAs as promptly as possible following the closure of meetings.

The LTF shall serve as the principal source of legal advice and information to the Specialised Executing Agencies, Project Steering Committee, and Regional Scientific and Technical Committee.

## **Meetings of the Task Force**

The PCU shall convene meetings of the Task Force on the basis of advice from the Project Steering Committee or, as required in order to complete the tasks assigned to the Task Force.

The PCU shall convene one meeting of the Task Force prior to the annual meetings of the Project Steering Committee in order to seek the advice of the Task Force, on legal matters before the PSC. Additional *Ad hoc* meetings may be convened as required.

## **Terms of Reference**

### **The Legal Task Force shall:**

- (i) Provide strategic guidance at the national level to the Specialised Executing Agencies and the National Focal Points regarding the legal implications of national action plans drafted in the context of the UNEP/GEF project;
- (ii) Provide strategic guidance at the national level to the Specialised Executing Agencies and the National Focal Point regarding the legal implications of actions proposed in the context of the UNEP/GEF demonstration sites;
- (iii) Initiate and conduct, under close supervision by the Project Co-ordinating Unit, a region wide review of national legislation of relevance to the goals and objectives of the project;
- (iv) Consolidate a body of information relating to environmental legislation as it applies to the goals and objectives of the project, drawing upon the environmental law programme of UNEP;
- (v) Review the legal implications of the outputs of the National Committees and Regional Working Groups;
- (vi) Conduct a regional review of national legislation and provide advice to the National Focal Point regarding alternative models of legislation that might be considered for adoption; and,
- (vii) Review the state of enforcement of national legislation and make recommendations with the view of strengthening effectiveness of national laws and regulations;
- (viii) Compile a review of the relevant global environmental conventions and the obligations of member states with respect to Regional Co-operation under those conventions.

## ANNEX 5

### Expenditure Report for the Year 2002

#### 1. BACKGROUND

The Project Steering Committee (PSC), as the over-riding authority with responsibility for direction of the project, approved the draft budget prepared by UNEP and presented to the first meeting of the committee held in Bangkok, Thailand, 22-23<sup>rd</sup> October 2001.

The budget was presented to and adopted by the committee (Para 9.2.4 in UNEP, 2002<sup>1</sup>) as two tables, a summary of the proposed GEF budget allocations by component (Table 1) and a more detailed breakdown by individual object of expenditure (Table 2). These budget tables covered the five years of the project and assumed 100% operational effectiveness as of 1<sup>st</sup> January 2002. These tables are included in the published report of the meeting as Annex XI.

In preparing and approving this budget UNEP and the PSC had assumed that all Memoranda of Understanding would be signed by the participating countries by the end of November, 2001 and that, final clearance and signature of the project document would be completed in time to allow commencement of activities by 1<sup>st</sup> January 2002. In the event, not all MoUs were signed by the due date and UNEP decided to proceed with final clearance requests from the GEF on the basis of sets of signed MoU's from six of the seven participating countries. The operational project document and associated MoU's were signed by, the Chief, Bureau of Fund Management Services (BFMS), on behalf of UNEP, on 21<sup>st</sup> January, following receipt of final clearance from the Chief Executive Officer of the Global Environment Facility (GEF) in late December. The Project Co-ordinating Unit (PCU) was formed thereafter and activities fully initiated with the convening of the first meeting of the Regional Scientific and Technical Committee (RSTC) in Pattaya, Thailand from 14 to 16<sup>th</sup> March 2002<sup>2</sup>.

#### 2. OVERVIEW OF EXPENDITURES

Table 1 presents an overview of financial obligations and actual expenditures incurred to 31<sup>st</sup> October 2002, together with an estimate of anticipated expenditures to December 31<sup>st</sup> 2002 summarised by budget component and sub-component. Table 2 presents a detailed statement that includes each individual budget line by object of expenditure. Anticipated expenditures between October and December 31<sup>st</sup> have been calculated on the basis of a retrospective analysis of expenditures during the preceding months and are considered accurate to within +/- 10%.

On the basis of estimated expenditures to December 31<sup>st</sup>, it may be seen that under-expenditure of the 2002 allocations has run at around 0.97 million dollars or 27.5% of the allocation for the year of 3.53 million US\$. Of the total under-expenditure 38% results from under-expenditure in the personnel component; 31.5% from under-expenditure in the sub-contracts component; 23.5% from under-expenditure in the training component; and 3.9% and 3.2% from under-expenditure in the Equipment and Premises, and Miscellaneous components respectively.

If the total under-expenditure of 0.97 million US\$, is reviewed by component then it may be seen that, the greatest under-expenditure US\$ 366,827 or 38% has occurred in the personnel component (1000); the second largest US\$ 305,298 (31.5%) in the sub-contracts component (2000); and the third largest of US\$ 227,896 (23.5) in the training component (3000). Under expenditure in the remaining components: equipment & premises (4000) and miscellaneous (5000) runs at US\$ 38,359 or 3.9 percent and US\$ 32,200 or 3.2 percent, respectively.

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<sup>1</sup> UNEP, 2002. *First Meeting of the Project Steering Committee For the UNEP/GEF Project "Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"*. Report of the meeting, UNEP/GEF/SCS/PSC.1/3, 110 pp. UNEP, Bangkok, Thailand.

<sup>2</sup> UNEP, 2002. *First Meeting of the Regional Scientific and Technical Committee for the UNEP/GEF Project "Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"*. Report of the meeting, UNEP/GEF/SCS/RSTC.1/3. 30 pp. UNEP, Bangkok, Thailand.

## 2.1 Personnel Component

This component consists of three sub-components: professionals (sub-component 1100); consultants (sub-component 1200); and administrative support staff (sub-component 1300), together with their support costs, including travel. The approved budget provides for the employment of 3.5 professional and two administrative and support staff (sub-components 1100 & 1300). Salary savings on professional staff have resulted from the fact that the Project Director was appointed on January 28<sup>th</sup>, the Senior Expert from 1<sup>st</sup> February, and the two experts only from mid-April. This represents a total "saving" of 8 professional working months over the year, or 19% of the possible maximum, had all posts been filled on 1<sup>st</sup> January. Under-expenditure on professional salaries represents 14% of the allocation, suggesting that original estimates of costs were within acceptable margins (+/- 5%)

Savings in the consultants sub-component (1200) represent almost the entire allocation (92%) and have resulted from a number of causes including *inter alia*: replacement of some budget lines by institutional contracts; management decisions that it would be premature to initiate a number of the regional activities given the delays in initiation of activities at the national level; and, the inability of the Project Co-ordinating Unit to physically accommodate additional staff, during the first eight months of operation.

Savings on administrative support result from the provision of administrative and financial services from the Associate Administrative Officer of the East Asian Seas, Regional Co-ordinating Unit (EAS/RCU) with whom the PCU is co-located.

## 2.2 Sub-contract Component

The Sub-contracts component (2000) is the largest component of the project budget (2.1 million US\$ in 2002) and contains the allocations made to the Specialised Executing Agencies, which are disbursed according to the terms of the individual Memoranda of Understanding. Current under-expenditure in this component is small (14%) and reflects two primary causes: firstly the fact that only four of the memoranda of Understanding between UNEP and Malaysia have been signed to date and these were signed only in September, hence only one tranche of funds has been released during the year; and secondly a number of SEA's have not requested full disbursement of the second tranche of funds. Over-all expenditure performance in this component is high with under expenditure running at only 14% of allocation.

## 2.3 Training Component

Total allocations in this component for calendar year 2002 amounted to 398,000 US\$ for the convening of a total of 15 meetings of the regional working groups, the Regional Scientific and Technical Committee and the Project Steering Committee, together with provision for three additional *ad hoc* workshops as required. All fifteen meetings associated with project management have been convened but only one *ad hoc* meeting was convened, rather than the three originally planned.

Costs of the first round of meetings were lower than anticipated since a full complement of regional experts, were not available to participate in the first meetings of the regional working groups and all meetings were convened in Thailand. The second round of regional working group meetings involved a larger number of regional experts and individual meetings costs tended to be higher since travel and service costs associated with convening meetings in the other countries tend to be somewhat higher than those for meetings convened in Thailand (See Tables 3 & 4, below)

## 3. CONCLUSIONS & RECOMMENDATIONS

Expenditure performance reflects in part the late engagement of professional personnel in the PCU, and the non-engagement of consultants due to circumstances outlined above. It is likely that future professional personnel costs will approximate to the approved allocations and no adjustments to this sub-component are envisaged. Budget planning for regional meetings appears to have used individual cost coefficients, which are perhaps too high, and this needs to be adjusted in planning the budget for future years. Recommendations regarding re-allocation of unspent funds are presented in the Draft budget for 2003.

Overall one may conclude that expenditure performance has been satisfactory, particularly in those components involving direct transfer of GEF grant funds to the Specialised Executing Agencies at the National level.

The Project Steering Committee is requested to note and accept this expenditure report as being consistent with budget approved in October 2001.

Table 1 Summary Expenditure statement calendar year 2002

code	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES		Anticipated status as		Percentage of Allocation
		Jan - June	July-Dec	Total Jan - Dec	plus OBLIGATIONS as of June 2002	as of Oct. 2002	of December 2002 Expenditure	Balance	
<b>1000</b>	<b>PROJECT PERSONNEL COMPONENT</b>			845,000.00				366,827.50	43.4%
1100	Project Personnel w/m (Show title/grade)	245,000.00	232,000.00	477,000.00	145,644.43	305,329.84	410,000.00	67,000.00	
1200	Consultants w/m (Give description of activity/service)	82,000.00	70,000.00	152,000.00	0.00	12,172.50	12,172.50	139,827.50	
1300	Administrative support w/m (Show title/grade)	66,000.00	64,000.00	130,000.00	4,776.12	11,298.20	16,000.00	114,000.00	
1400	Volunteers - w/m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1600	Travel on official business	48,000.00	38,000.00	86,000.00	8,697.80	32,520.45	40,000.00	46,000.00	
1999	<b>Component Total</b>	<b>441,000.00</b>	<b>404,000.00</b>	<b>845,000.00</b>	<b>159,118.35</b>	<b>361,320.99</b>	<b>478,172.50</b>	<b>366,827.50</b>	
<b>2000</b>	<b>SUB-CONTRACT COMPONENT</b>			2,113,000.00				376,878.00	17.8%
2100	Sub-contracts (MoU's/LA's for UN cooperating agencies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2200	Sub-contracts (MoU's/LA's for non-profit supporting organizations)	1,066,980.00	1,046,020.00	2,113,000.00	910,840.00	1,135,981.80	1,736,122.00	376,878.00	
2300	Sub-contracts (commercial purposes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2999	<b>Component Total</b>	<b>1,066,980.00</b>	<b>1,046,020.00</b>	<b>2,113,000.00</b>	<b>910,840.00</b>	<b>1,135,981.80</b>	<b>1,736,122.00</b>	<b>376,878.00</b>	
<b>3000</b>	<b>TRAINING COMPONENT</b>			398,000.00				227,896.34	57.3%
3100	Fellowships (total stipend/fees, travel, costs, etc)	0.00	15,000.00	15,000.00	0.00	0.00	0.00	15,000.00	
3200	Group training (study tours, field trips, workshops, seminars, etc) (give title)	0.00	30,000.00	30,000.00	0.00	0.00	0.00	30,000.00	
3300	Meetings/conferences (give title)	144,000.00	209,000.00	353,000.00	52,047.32	139,639.36	170,103.66	182,896.34	
3999	<b>Component Total</b>	<b>144,000.00</b>	<b>254,000.00</b>	<b>398,000.00</b>	<b>52,047.32</b>	<b>139,639.36</b>	<b>170,103.66</b>	<b>227,896.34</b>	
<b>4000</b>	<b>EQUIPMENT &amp; PREMISES COMPONENT</b>			99,000.00				38,359.23	38.7%
4100	Expendable equipment (items under (\$1,500 each, for example)	18,000.00	3,000.00	21,000.00	628.21	4,562.62	5,542.12	15,457.88	
4200	Non-expendable equipment (computers, office equip, etc)	38,000.00	5,000.00	43,000.00	19,678.40	26,621.42	30,098.65	12,901.35	
4300	Premises (office rent, maintenance, of premises, etc)	30,000.00	5,000.00	35,000.00	0.00	0.00	25,000.00	10,000.00	
4999	<b>Component Total</b>	<b>86,000.00</b>	<b>13,000.00</b>	<b>99,000.00</b>	<b>20,306.61</b>	<b>31,184.04</b>	<b>60,640.77</b>	<b>38,359.23</b>	

Table 1 cont.

code	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		Percentage of Allocation
		Jan - June	July-Dec	Total Jan - Dec	as of June 2002	as of Oct. 2002	Expenditure	Balance	
<b>5000</b>	<b>MISCELLANEOUS COMPONENT</b>			<b>79,000.00</b>				<b>32,200.00</b>	
5100	Operation and maintenance of equip.	6,000.00	7,000.00	13,000.00	0.00	0.00	0.00	13,000.00	
5200	Reporting costs (publications, maps, newsletters, printing, etc)	20,000.00	15,000.00	35,000.00	10,935.36	17,954.13	40,000.00	-5,000.00	
5300	Sundry (communications, postage, freight, clearance charges, etc)	11,000.00	11,000.00	22,000.00	1,822.07	2,885.26	5,800.00	16,200.00	
5400	Hospitality and entertainment	3,000.00	6,000.00	9,000.00	0.00	0.00	1,000.00	8,000.00	
5500	Evaluation (consultants fees/travel/DSA, admin support, etc. internal projects)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>5999</b>	<b>Component Total</b>	<b>40,000.00</b>	<b>39,000.00</b>	<b>79,000.00</b>	<b>12,757.43</b>	<b>20,839.39</b>	<b>46,800.00</b>	<b>32,200.00</b>	40.8%
<b>9999</b>	<b>Grand Total</b>	<b>1,777,980.00</b>	<b>1,756,020.00</b>	<b>3,534,000.00</b>	<b>1,155,069.71</b>	<b>1,688,965.58</b>	<b>2,491,838.93</b>	<b>1,042,161.07</b>	29.5%
	Balance			3,534,000.00				1,042,161.07	

**Table 2 Detailed Expenditure statement calendar year 2002**

CODE	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		NOTES
		Jan - June	July-Dec	Total Jan - Dec	as of June 2002	as of Oct. 2002	Expenditure	Unspent Balance	
<b>1000</b>	<b>PROJECT PERSONNEL COMPONENT</b>								
<b>1100</b>	<b>Project Personnel w/m (Show title/grade)</b>								
1101	Project Director (L6) *	88,000.00	78,000.00	166,000.00	41,061.44	104,377.72	135,000.00	31,000.00	11 person months
1102	1/2 Senior Project Officer (L5) **	40,000.00	37,000.00	77,000.00	42,240.53	78,628.28	110,000.00	-33,000.00	11 half months
1103	Project Officer (L4)	64,000.00	64,000.00	128,000.00	27,306.37	58,369.08	80,000.00	48,000.00	8.5 person months
1104	Project Officer (L3)	53,000.00	53,000.00	106,000.00	35,036.09	63,954.76	85,000.00	21,000.00	8.5 person months
1199	Total	<b>245,000.00</b>	<b>232,000.00</b>	<b>477,000.00</b>	<b>145,644.43</b>	<b>305,329.84</b>	<b>410,000.00</b>	<b>67,000.00</b>	Plus 55K ex EAS
<b>1200</b>	<b>Consultants w/m (Describe activity/service)</b>								
1201	Drafting and finalisation of metadata fields & evaluation guidelines, mangroves.	7,000.00	0.00	7,000.00	0.00	0.00	0.00	7,000.00	Activity replaced with Institutional Contract
1202	Develop criteria and elements of a national action plans to maintain regionally important mangrove areas	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Premature
1203	Develop regional criteria and SAP elements for mangroves	0.00	7,000.00	7,000.00	0.00	0.00	0.00	7,000.00	Premature
1204	Develop regional framework for metadata and linkages for national data systems	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Activity replaced with Institutional Contract
1205	Draft the criteria, guidelines for national management plans and for economic evaluation (coral)	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Premature
1206	Development of regional priority actions for inclusion in the SAP (coral)	0.00	7,000.00	7,000.00	0.00	0.00	0.00	7,000.00	Premature
1207	Develop the criteria, guidelines for national management plans and for economic evaluation (seagrass)	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Premature
1208	Development of regional priority actions for inclusion in the SAP to maintain regionally significant seagrass meadows (seagrass)	0.00	7,000.00	7,000.00	0.00	0.00	0.00	7,000.00	Premature
1209	Prepare a regional review of wetlands projects, management & use; draft criteria for prioritisation; guidelines for the national management plans and for economic evaluation (wetland)	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Scope of 'wetlands' not well defined at this stage
1210	Develop awareness materials for use among small and artisanal fishing communities in the priority areas	14,000.00	0.00	14,000.00	0.00	0.00	0.00	14,000.00	Premature

Table 2 cont.

CODE	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		NOTES
		Jan - June	July-Dec	Total Jan - Dec	as of June 2002	as of Oct. 2002	Expenditure	Unspent Balance	
1211	Prepare draft regional water quality objectives and water quality and effluent standards for consideration by RWG-Lb-P	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Premature
1212	Prepare guidelines for the development of national management plans, aimed at implementing the GPA/LBA (pollution)	7,000.00	7,000.00	14,000.00	0.00	0.00	0.00	14,000.00	Premature
1213	Develop a South China Sea strategic approach to mitigating priority regional hot spots for inclusion in the SAP for the SCS (pollution)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Premature
1214	Regional Scientific & Technical Advisors	12,000.00	0.00	12,000.00	0.00	12,172.50	12,172.50	-172.50	Preparatory actions for implementing line 3313
1215	Unassigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1299	<b>Total</b>	<b>82,000.00</b>	<b>70,000.00</b>	<b>152,000.00</b>	<b>0.00</b>	<b>12,172.50</b>	<b>12,172.50</b>	<b>139,827.50</b>	
<b>1300</b>	<b>Administrative support w/m (Show title/grade)</b>								
1301	Associate admin. Offer (P2/L2)	42,000.00	42,000.00	84,000.00	0.00	0.00	0.00	84,000.00	Provided by EAS/RCU
1302	Secretary/presentation designer (GS5/6)	24,000.00	22,000.00	46,000.00	4,776.12	11,298.20	16,000.00	30,000.00	10 person months
1399	<b>Total</b>	<b>66,000.00</b>	<b>64,000.00</b>	<b>130,000.00</b>	<b>4,776.12</b>	<b>11,298.20</b>	<b>16,000.00</b>	<b>114,000.00</b>	
<b>1400</b>	<b>Volunteers w/m</b>								
1401		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1499	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>1600</b>	<b>Travel on official business</b>								
1601	Staff Travel (regional)	30,000.00	23,000.00	53,000.00	8,697.80	32,520.45	40,000.00	13,000.00	
1602	Staff Travel (global)	18,000.00	15,000.00	33,000.00	0.00	0.00	0.00	33,000.00	
1603	Staff Travel (in-country)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1699	<b>Total</b>	<b>48,000.00</b>	<b>38,000.00</b>	<b>86,000.00</b>	<b>8,697.80</b>	<b>32,520.45</b>	<b>40,000.00</b>	<b>46,000.00</b>	
<b>1999</b>	<b>Component Total</b>	<b>441,000.00</b>	<b>404,000.00</b>	<b>845,000.00</b>	<b>159,118.35</b>	<b>361,320.99</b>	<b>478,172.50</b>	<b>366,827.50</b>	

Table 2 cont.

CODE	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		NOTES
		Jan - June	July-Dec	Total Jan - Dec	as of June 2002	as of Oct. 2002	Expenditure	Unspent Balance	
<b>2000</b>	<b>SUB-CONTRACT COMPONENT</b>								
<b>2100</b>	<b>Sub-contracts (MoU's/LA's for UN cooperating agencies)</b>								
2101		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2199	Total	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>2200</b>	<b>Sub-contracts (MoU's/LA's for non-profit supporting organizations)</b>								
2201	MoU IMC Cambodia	8,140.00	8,140.00	16,280.00	8,140.00	8,140.00	15,580.00	700.00	not requested
2202	MoU Mangrove & Wetland Cambodia	57,000.00	51,860.00	108,860.00	57,000.00	57,000.00	108,860.00	0.00	
2203	MoU Coral Reefs & Seagrass, Cambodia	58,000.00	66,170.00	124,170.00	58,000.00	70,785.00	70,785.00	53,385.00	not requested
2204	MoU Fisheries Cambodia	9,000.00	5,000.00	14,000.00	9,000.00	13,966.80	13,966.80	33.20	not requested
2205	MoU Pollution Cambodia	24,000.00	20,000.00	44,000.00	24,000.00	37,930.00	37,930.00	6,070.00	not requested
2206	MoU IMC China	8,140.00	8,140.00	16,280.00	8,140.00	8,140.00	16,280.00	0.00	
2207	MoU Mangrove China	43,000.00	32,860.00	75,860.00	43,000.00	43,000.00	75,860.00	0.00	
2208	MoU Seagrass China	41,000.00	39,000.00	80,000.00	41,000.00	41,000.00	80,000.00	0.00	
2209	MoU Wetlands China	14,000.00	19,000.00	33,000.00	14,000.00	14,000.00	33,000.00	0.00	
2210	MoU Pollution China	24,000.00	20,000.00	44,000.00	24,000.00	24,000.00	44,000.00	0.00	
2211	MoU IMC Indonesia	8,140.00	8,140.00	16,280.00	8,140.00	8,140.00	16,280.00	0.00	
2212	MoU Mangrove Indonesia	43,000.00	32,860.00	75,860.00	43,000.00	43,000.00	75,860.00	0.00	
2213	MoU Corals Indonesia	17,000.00	27,170.00	44,170.00	17,000.00	17,000.00	44,170.00	0.00	
2214	MoU Seagrass Indonesia	41,000.00	39,000.00	80,000.00	41,000.00	41,000.00	78,051.00	1,949.00	balance withheld
2215	MoU Wetlands Indonesia	14,000.00	19,000.00	33,000.00	14,000.00	14,000.00	33,000.00	0.00	
2216	MoU Fisheries Indonesia	9,000.00	5,000.00	14,000.00	9,000.00	14,000.00	14,000.00	0.00	
2217	MoU Pollution Indonesia	24,000.00	20,000.00	44,000.00	24,000.00	24,000.00	44,000.00	0.00	
2218	MoU IMC Malaysia	8,140.00	8,140.00	16,280.00	0.00	8,140.00	8,140.00	8,140.00	MoU signed Sept. 2002
2219	MoU Mangrove Malaysia	43,000.00	32,860.00	75,860.00	0.00	0.00	0.00	75,860.00	
2220	MoU Corals Malaysia	17,000.00	27,170.00	44,170.00	0.00	17,000.00	17,000.00	27,170.00	MoU signed Sept. 2002
2221	MoU Seagrass Malaysia	41,000.00	39,000.00	80,000.00	0.00	41,000.00	41,000.00	39,000.00	MoU signed Sept. 2002
2222	MoU Wetlands Malaysia	14,000.00	19,000.00	33,000.00	0.00	0.00	0.00	33,000.00	
2223	MoU Fisheries Malaysia	9,000.00	5,000.00	14,000.00	0.00	0.00	0.00	14,000.00	







Table 2 cont.

CODE	Description	APPROVED BUDGET JAN – DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		NOTES
		Jan - June	July-Dec	Total	as of June 2002	as of Oct. 2002	Expenditure	Unspent Balance	
		3312	Convene two regional scientific meetings in conjunction with partnership conferences for presentation of the SAP and priority actions portfolios	0.00	0.00	0.00	0.00	0.00	
3313	6 workshops to: review national legislation; discuss modes of harmonisation; & current obligations of countries under Global Conventions.	18,000.00	18,000.00	36,000.00	0.00	13,603.66	13,603.66	22,396.34	GIS workshop August
3314	Review possible approaches to meeting the common objectives of the countries in the SAP; prepare recommendations concerning the optimum mode of countries meeting their obligations under the global conventions.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3315	Meeting unspecified	0.00	20,000.00	20,000.00		0.00	0.00	20,000.00	
3399	Total	144,000.00	209,000.00	353,000.00	52,047.32	139,639.36	170,103.66	182,896.34	
<b>3999</b>	<b>Component Total</b>	<b>144,000.00</b>	<b>254,000.00</b>	<b>398,000.00</b>	<b>52,047.32</b>	<b>139,639.36</b>	<b>170,103.66</b>	<b>227,896.34</b>	
<b>4000</b>	<b>EQUIPMENT &amp; PREMISES COMPONENT</b>								
<b>4100</b>	<b>Expendable equipment (items under (\$1,500 each, for example)</b>								
4101	Office supplies	10,000.00	0.00	10,000.00	628.21	1,520.50	2,500.00	7,500.00	
4102	Library acquisitions	3,000.00	3,000.00	6,000.00	0.00	0.00	0.00	6,000.00	
4103	Computer Software	5,000.00	0.00	5,000.00	0.00	3,042.12	3,042.12	1,957.88	
4199	Total	18,000.00	3,000.00	21,000.00	628.21	4,562.62	5,542.12	15,457.88	
<b>4200</b>	<b>Non-expendable equipment (computers, office equip, etc)</b>								
4201	Computers	20,000.00	0.00	20,000.00	6,622.77	9,022.77	12,500.00	7,500.00	
4202	Printers	5,000.00	0.00	5,000.00	12,350.35	11,134.90	11,134.90	-6,134.90	
4203	Copy machine	3,000.00	0.00	3,000.00	0.00	0.00	0.00	3,000.00	
4204	PowerPoint OHP	5,000.00	0.00	5,000.00	0.00	5,000.00	5,000.00	0.00	
4205	Equipment unspecified	5,000.00	5,000.00	10,000.00	705.28	1,463.75	1,463.75	8,536.25	
4299	Total	38,000.00	5,000.00	43,000.00	19,678.40	26,621.42	30,098.65	12,901.35	

Table 2 cont.

CODE	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		NOTES
		Jan - June	July-Dec	Total Jan - Dec	as of June 2002	as of Oct. 2002	Expenditure	Unspent Balance	
<b>4300</b>	<b>Premises (office rent, maintenance, of premises, etc)</b>								
4301	Office rent	15,000.00	0.00	15,000.00	0.00	0.00	15,000.00	0.00	
4302	Furniture	15,000.00	0.00	15,000.00	0.00	0.00	10,000.00	5,000.00	
4303	unspecified costs	0.00	5,000.00	5,000.00	0.00	0.00	0.00	5,000.00	
4399	Total	<b>30,000.00</b>	<b>5,000.00</b>	<b>35,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>25,000.00</b>	<b>10,000.00</b>	
<b>4999</b>	<b>Component Total</b>	<b>86,000.00</b>	<b>13,000.00</b>	<b>99,000.00</b>	<b>20,306.61</b>	<b>31,184.04</b>	<b>60,640.77</b>	<b>38,359.23</b>	
<b>5000</b>	<b>MISCELLANEOUS COMPONENT</b>								
<b>5100</b>	<b>Operation and maintenance of equip.</b>								
5101	Rental & maint. of computer equip.	0.00	3,000.00	3,000.00	0.00	0.00	0.00	3,000.00	
5102	Rental & maint. of copiers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5103	Repair & maint. of vehicles & insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5104	Rental & maint. of other office equip	2,000.00	0.00	2,000.00	0.00	0.00	0.00	2,000.00	
5105	Rental of meeting rooms & equip.	4,000.00	4,000.00	8,000.00	0.00	0.00	0.00	8,000.00	
5199	Total	<b>6,000.00</b>	<b>7,000.00</b>	<b>13,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,000.00</b>	
<b>5200</b>	<b>Reporting costs (publications, maps, newsletters, printing, etc)</b>								
5201	Reporting	10,000.00	0.00	10,000.00	5,467.68	8,437.34	12,000.00	-2,000.00	
5202	Publication (other than reports)	5,000.00	10,000.00	15,000.00	5,467.68	5,467.68	18,000.00	-3,000.00	
5203	Webpage designe and updating	5,000.00	5,000.00	10,000.00	0.00	4,049.11	10,000.00	0.00	
5299	Total	<b>20,000.00</b>	<b>15,000.00</b>	<b>35,000.00</b>	<b>10,935.36</b>	<b>17,954.13</b>	<b>40,000.00</b>	<b>-5,000.00</b>	
<b>5300</b>	<b>Sundry (communications, postage, freight, clearance charges, etc)</b>								
5301	Communication	8,000.00	8,000.00	16,000.00	1,505.56	2,150.67	4,300.00	11,700.00	
5302	postage/freight	3,000.00	3,000.00	6,000.00	316.51	734.59	1,500.00	4,500.00	
5303	unspecified	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5399	Total	<b>11,000.00</b>	<b>11,000.00</b>	<b>22,000.00</b>	<b>1,822.07</b>	<b>2,885.26</b>	<b>5,800.00</b>	<b>16,200.00</b>	

Table 2 cont.

CODE	Description	APPROVED BUDGET JAN - DEC 2002			ACTUAL EXPENDITURES plus OBLIGATIONS		Anticipated status as of December 2002		NOTES
		Jan - June	July-Dec	Total Jan - Dec	as of June 2002	as of Oct. 2002	Expenditure	Unspent Balance	
<b>5400</b>	<b>Hospitality and entertainment</b>								
5401	Hospitality and entertainment	3,000.00	6,000.00	9,000.00	0.00	0.00	1,000.00	8,000.00	
5402									
5499	Total	<b>3,000.00</b>	<b>6,000.00</b>	<b>9,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,000.00</b>	<b>8,000.00</b>	
<b>5500</b>	<b>Evaluation (consultants fees/travel/DSA, admin support, etc. internal projects)</b>								
5501	Evaluation (consultants fees/travel/DSA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5599	Total	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>5999</b>	<b>Component Total</b>	<b>40,000.00</b>	<b>39,000.00</b>	<b>79,000.00</b>	<b>12,757.43</b>	<b>20,839.39</b>	<b>46,800.00</b>	<b>32,200.00</b>	
<b>9999</b>	<b>Total</b>	<b>1,777,980.00</b>	<b>1,756,020.00</b>	<b>3,534,000.00</b>	<b>1,155,069.71</b>	<b>1,688,965.58</b>	<b>2,491,839.73</b>	<b>1,042,160.27</b>	
	Balance			3,534,000.00				3,534,000.00	

**Table 3 Costs of regional meetings convened during calendar year 2002**

Name <sup>3</sup>	Venue	No participants	Total Cost	Cost per participant	Duration in days	Cost per participant per day
RWG-CR1	Bangkok	6	5,795	965.83	3	321.94
RWG-SG1	Bangkok	7	7,844	1,120.57	3	373.52
RWG-F1	Bangkok	4	5,127	1,281.75	3	427.25
RWG-LbP1	Bangkok	6	7,203	1,200.50	3	400.17
GIS	Bangkok	11	13,604	1,236.70	3	412.23
RSTC	Pattaya	16	12,270	766.88	3	255.63
RWG-W1	Phuket	7	5,845	835.00	3	278.33
RWG-M1	Phuket	9	7,960	884.44	3	294.81
RWG-F2	Phuket	7	7,479	1,068.43	5	213.69
RWG-LbP2	Batam	9	15,138	1,682.00	4	420.50
RWG-M2	Ho Chi Minh	9	9,033	1,003.72	4	250.93
RWG-CR2	Sihanoukeville	8	7,930	991.25	4	247.81
RWG-SG2	Hue	9	13,370	1,485.56	4	371.39
RWG-W2	Shenzhen	9	13,830	1,536.66	4	384.17

**Table 4 Average and range of costs in US dollars per individual for meetings convened in various locations during 2002.**

Location	No of mtgs.	Cost per individual per meeting			Cost per individual per day		
		Lowest	Average	Highest	Lowest	Average	Highest
Phuket	3	835.00	<b>925.39</b>	1,068.43	213.69	<b>262.28</b>	294.81
Bangkok	5	965.83	<b>1,163.90</b>	1,281.75	321.94	<b>387.02</b>	427.25
Thailand - all	9	766.88	<b>960.05</b>	1,281.75	213.69	<b>330.84</b>	427.25
Other Countries	5	991.25	<b>1,347.76</b>	1,682.00	247.81	<b>334.96</b>	420.50

<sup>3</sup> RWG = Regional Working Group; CR = Coral reefs; SG = Seagrass; F = Fisheries; LbP = Land-based Pollution; M = mangrove; W = wetland; GIS-EW = GIS Expert workshop.



## ANNEX 6

### **Budget Revision, for the UNEP/GEF Project Entitled: “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”**

#### **Background**

At the first meeting of the Project Steering Committee a draft budget was presented for consideration as the UNEP operational project budget for inclusion in the project document to be submitted to the Chief Executive Officer of the GEF for final clearance. The budget was considered under agenda item 9 and:

*“the committee agreed to adopt the framework budget contained in Annex XI of the report and approved the proposed expenditures for the calendar year 2002”.*<sup>4</sup>

Subsequently at the time of document signature in Nairobi it was discovered that, the totals for the sub-component 3300 Meetings/Conferences were incorrect and that 330,000 US dollars had been omitted from the total for this sub-component. Accordingly adjustments were made to individual budget lines within this sub-component in order to reduce the total of 1,978,000 US dollars to 1,648,000 US dollars, thus ensuring that the overall GEF grant total of 16.414 million US dollars over five years was not exceeded.

Annex 1 of the present document contains the relevant portion of the budget as approved by the Project Steering Committee (Table 1.1) and the figures ultimately included in the signed project document (Table 1.2). The latter figures have been incorporated into the budget revision presented to the committee in this document.

#### **Reasons for budget revision**

The primary reasons for conducting budget revisions are to account for under-expenditures during the preceding year and to allow for any changes in work plan and timetable that result from project execution. It is UNEP’s normal practice to revise each project budget at the end of each year, to reconcile over- and under- expenditures and re-allocate funds according the new work plan, timetable and envisaged completion date. The present revision does not envisage any extension of the project beyond the original completion date of December 31<sup>st</sup> 2007.

The expenditure report for the project, for calendar year 2002 is presented in document UNEP/GEF/SCS/PSC.2/7 in which the reasons for under-expenditure in certain budget components are presented. Based on experiences in operating the Project Co-ordinating Unit, the regional meetings and the sub-contracts, over the year adjustments have been made to budget components and sub-components as detailed in Tables 1, 2 and 3.

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<sup>4</sup> Paragraph 9.2.4 of document UNEP/GEF/SCS/PSC.1/3.

**Table 1** Changes in annual allocations between original budget approved in 2001 and the proposed budget revision for adoption in 2002.

		GEF grant	2002		2003		2004		2005		2006		Total
Approved Budget 2001			1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	
	Country Direct	8,971	1,067	1,046	1,298	1,535	753	928	728	868	590	158	8,971
	Country Indirect	3,058	128	209	288	423	316	403	396	391	432	72	3,058
	Regional Co-ordination	4,385	567	456	480	476	437	433	442	468	427	199	4,385
<b>9999</b>	<b>Total</b>	<b>16,414</b>	<b>1,762</b>	<b>1,711</b>	<b>2,066</b>	<b>2,434</b>	<b>1,506</b>	<b>1,764</b>	<b>1,566</b>	<b>1,727</b>	<b>1,449</b>	<b>429</b>	<b>16,414</b>
Proposed Budget 2002													
	Country Direct	8,971	911	840	1,228	1,573	823	958	738	828	568	158	8,625
	Carried forward				346								346
	Country Indirect	3,058	52	120	186	591	366	433	400	388	423	99	3,058
	Regional Co-ordination	4,385	193	387	505	543	533	482	494	497	479	273	4,385
<b>9999</b>	<b>Total</b>	<b>16,414</b>	<b>1,156</b>	<b>1,347</b>	<b>2,265</b>	<b>2,707</b>	<b>1,722</b>	<b>1,873</b>	<b>1,632</b>	<b>1,713</b>	<b>1,470</b>	<b>530</b>	<b>16,415</b>
	<b>Difference (2001-2002)</b>	<b>0</b>	<b>-606</b>	<b>-364</b>	<b>+199</b>	<b>+273</b>	<b>+216</b>	<b>+109</b>	<b>+66</b>	<b>-14</b>	<b>+21</b>	<b>+101</b>	<b>1</b>

### Budget by year

Table 1 presents the total allocations by year, and by the three categories: Country Direct<sup>5</sup>; Country indirect; and Regional Co-ordination. It can be seen that no changes are made to the total allocation in the three categories but that, changes are made to the annual allocations to take account of the under-expenditures during 2002.

It should be noted that, commencing in the first half of 2003, the overall totals for each subsequent half-year period are, with the exception of the first half of 2006, increased under the proposed budget revision, with the bulk of the 2002 under-expenditure being re-allocated in 2003 and 2004.

### Budget by component

Table 2 presents the Summary budget revision for the GEF grant funds, by object of expenditure and in UNEP format. Figures are presented in US thousands of dollars. The left hand columns present: the Budget Component number; sub-component and line numbers; and title of the component, sub-component or budget line. The left hand column of figures entitled "PSC approved Oct 2001", contains the GEF grant budget totals over the first five years as approved during the first Project Steering Committee meeting. The column entitled "total" to the right of the table, presents the recommended, revised totals for the five years of project implementation.

It can be seen that changes have not been made to either, the overall grand total or, to the totals in the Project Personnel (1000), and Training (3000) Components, of the project. A total of 34,000 US dollars has been moved from the Equipment and Premises Component (4000) to the Miscellaneous Component (5000) to account for the originally under-budgeted costs of report publication and dissemination.

The Sub-contracts Component (2000) total in Table 2 is 8.595 million US dollars, rather than the 8.941 million dollars originally allocated. The difference of 346,000 US dollars represents funds originally allocated to the Specialised Executing Agencies in the participating countries, for expenditure in 2002, but which have not been disbursed to the SEAs at this point in time.

<sup>5</sup> Country direct refers to funds that are transferred directly to the Specialised Executing Agencies at the national level; Country Indirect refers to funds used to support training and meeting costs of national experts and trainees.

This non-disbursement reflects three causes:

1. the delays in signature by the Government of Malaysia of the Memoranda of Understanding have resulted in disbursement of only 104,000 US\$ of the originally budgeted 307,000 US\$. i.e. 203,000 US dollars from the original allocations to the Malaysian SEAs remains undisbursed.
2. A further 140,000 US dollars has not been requested by some SEAs<sup>6</sup>, which have been unable to disburse funds as rapidly as originally envisaged, or which have managed to deliver their products, under-budget.
3. Around 3,000 US\$ has been withheld by the PCU, pending receipt of required documentation in support of expenditures from the SEAs concerned.

Table 3 presents the detailed budget by individual line item, including those contained in the original budget approved by the committee together with those added during this revision.

### **Framework and operational budgets**

Table 2 discussed above contains the framework budget for the entire project period whilst Table 3 contains the operational budget organised and presented in UNEP approved format by individual line item and object of expenditure. The budget contained in Table 3 has the same structure of columns as Table 2 with the exception of the addition of the column entitled "*difference*" to the right of the table which shows the proposed change in each budget line between the first budget and the current revision. Positive numbers indicate a decrease in the total for the line concerned compared to the 2001 approved budget, whereas negative figures indicate an increase in the respective budget line.

The framework budget is, as in the case of the originally approved budget, more generic, since it is anticipated that certain costs, such as the individual costs of demonstration activities will only become apparent during 2003 once the sites and activities have been selected. The committee should note that in approving expenditures for the calendar year 2003 they are approving the draw down of GEF funds for demonstration activities during the second half of the year in the amount of 600,000 US\$. Thus funds will be immediately available for disbursement following decision of the next Project Steering Committee regarding the choice of demonstration sites although they will not be disbursed until the decision of the committee has been taken and an appropriate new Memorandum of Understanding drafted and signed by both parties.

The committee should note that it is not proposed to reallocate the unspent monies originally allocated to the Specialised Executing Agencies to other budget lines but merely to re-phase these for the two time periods in 2003. This will require a budget revision for each individual agency and hence the precise amounts in each of the two halves of 2003 cannot be entered until such time as these revisions are completed.

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<sup>6</sup> Three in Cambodia, one in Philippines and three in Thailand.

**Table 1.1 Extract from the detailed project budget as submitted to and approved by the First meeting of the project Steering Committee, October 2001**

3000	3300	TRAINING COMPONENT	GEF	2002		2003		2004		2005		2006		Total
			grant	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	
		<b>TRAINING COMPONENT</b>												
		<b>Meetings/conferences (give title)</b>												
	3301	Project Steering Committee meetings	150		30		30		30		30		30	150
	3302	Regional Scientific & Technical Committee	180	30	30		30		30		30		30	180
	3303	Regional Working Group Mangroves (RWG-	126	18	18	18		18		18	18		18	126
	3304	Regional Working Group Corals (RWG-C)	126	18	18	18	18		18		18		18	126
	3305	Regional Working Group Seagrass (RWG-	126	18	18	18	18		18		18		18	126
	3306	Regional Working Group Wetlands (RWG-	126	18	18	18	18		18		18	18		126
	3307	Regional Working Group Fisheries (RWG-F)	108	18	18	18		18		18		18		108
	3308	Regional Working Group Pollution (RWG-	126	18	18	18	18		18		18		18	126
	3309	Develop regional management plans for a regional system of refugia for transboundary fish stocks	90			30		30		30				90
	3310	Agree on priority regional hot spots for inclusion in the SAP for the SCS	80				40			40				80
	3311	Consideration of regional priority actions, targets and approaches for inclusion in the SAP	80			40			40					80
	3312	Convene two regional scientific meetings in conjunction with partnership conferences for presentation of the SAP and priority actions portfolios	300				150					150		300
	3313	6 workshops to: review national legislation; discuss modes of harmonisation; & current obligations of countries under Global Conventions.	120	20	20	20		20		20		20		120
	3314	Review possible approaches to meeting the common objectives of the countries in the SAP; prepare recommendations concerning the optimum mode of countries meeting their obligations under the global conventions.	60				30				30			60
	3315	Meeting unspecified	180		36		36		36		36	36		180
	3399	Total as approved by the PSC	1,648	128	164	198	328	86	148	126	156	242	72	1,648
		<b>Correct total</b>	<b>1,978</b>	<b>158</b>	<b>224</b>	<b>198</b>	<b>388</b>	<b>86</b>	<b>208</b>	<b>126</b>	<b>216</b>	<b>242</b>	<b>132</b>	<b>1,978</b>
		<b>Over allocation</b>	<b>330.00</b>	<b>30.00</b>	<b>60.00</b>	<b>0.00</b>	<b>60.00</b>	<b>0.00</b>	<b>60.00</b>	<b>0.00</b>	<b>60.00</b>	<b>0.00</b>	<b>60.00</b>	<b>330.00</b>

**Table 1.2 Extract from the detailed project budget as signed by the Bureau of Fund Management Services, UNON.**

3000			2002		2003		2004		2005		2006		Total
			1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	
<b>3000</b>		<b>TRAINING COMPONENT</b>											
	<b>3300</b>	<b>Meetings/conferences (give title)</b>											
	3301	Project Steering Committee meetings	125	25	25	25	25	25	25	25	25	25	125
	3302	Regional Scientific & Technical Committee	180	30	30	30	30	30	30	30	30	30	180
	3303	Regional Working Group Mangroves (RWG-M)	118	16	16	16	16	16	18	18	18	18	118
	3304	Regional Working Group Corals (RWG-C)	116	16	16	16	16	16	16	18	18	18	116
	3305	Regional Working Group Seagrass (RWG-S).	116	16	16	16	16	16	16	18	18	18	116
	3306	Regional Working Group Wetlands (RWG-W)	126	16	26	16	16	16	16	18	18	18	126
	3307	Regional Working Group Fisheries (RWG-F)	108	16	26	16	16	16	16	18	18	18	108
	3308	Regional Working Group Pollution (RWG-LbP)	116	16	16	16	16	16	16	18	18	18	116
	3309	Develop regional management plans for a regional system of refugia for transboundary fish stocks	75		25		25		25				75
	3310	Agree on priority regional hot spots for inclusion in the SAP for the SCS	50			25			25				50
	3311	Consideration of regional priority actions, targets and approaches for inclusion in the SAP	60		30			30					60
	3312	Convene two regional scientific meetings in conjunction with partnership conferences for presentation of the SAP and priority actions portfolios	200			100					100		200
	3313	6 workshops to: review national legislation; discuss modes of harmonisation; & current obligations of countries under Global Conventions.	108	18	18	18	18	18	18	18	18	18	108
	3314	Review possible approaches to meeting the common objectives of the countries in the SAP; prepare recommendations concerning the optimum mode of countries meeting their obligations under the global conventions.	50			25				25			50
	3315	Meeting unspecified	100	20	20	20	20	20	20	20	20	20	100
	3399	Total	1,648	144	209	169	289	75	169	102	190	174	1,648

**Table 2. Summary Framework Budget Revision #1 - GEF grant funds [US\$ thousands]**

			GEF	2002		2003		2004		2005		2006		TOTAL
				1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	
<b>1000</b>	<b>PROJECT PERSONNEL COMPONENT</b>													
	1100	Project Personnel w/m (Show title/grade)	2,232	147	262	234	252	252	252	252	252	252	183	2338
	1200	Consultants w/m (Give description of activity/service)	368	0	12	70	60	79	41	37	14	30	0	344
	1300	Administrative support w/m (Show title/grade)	612	5	16	72	72	72	72	72	72	72	51	576
	1400	Volunteers w/m	0	0	0	0	0	0	0	0	0	0	0	0
	1600	Travel on official business												
	1601	Staff Travel (regional)	430	9	31	48	43	43	50	45	45	39	31	384
	1603	Staff Travel (in-country)	30	0	0	0	15	15	0	0	0	0	0	30
	1999	<b>Component Total</b>	<b>3,672</b>	<b>161</b>	<b>321</b>	<b>424</b>	<b>442</b>	<b>461</b>	<b>415</b>	<b>406</b>	<b>383</b>	<b>393</b>	<b>265</b>	<b>3,672</b>
<b>2000</b>	<b>SUB-CONTRACT COMPONENT</b>													
	2100	Sub-contracts (MoU's/LA's for UN cooperating agencies)	0	0	0	0	0	0	0	0	0	0	0	0
	2200	Sub-contracts (MoU's/LA's for non-profit supporting organizations)	8,941	911	840	1,228	1,558	808	958	738	828	568	158	8,941
	2300	Sub-contracts (commercial purposes)	0	0	0	0	0	0	0	0	0	0	0	0
	2999	<b>Component Total</b>	<b>8,941</b>	<b>911</b>	<b>840</b>	<b>1,228</b>	<b>1,558</b>	<b>808</b>	<b>958</b>	<b>738</b>	<b>828</b>	<b>568</b>	<b>158</b>	<b>8,941</b>
<b>3000</b>	<b>TRAINING COMPONENT</b>													
	3100	Fellowships (total stipend/fees, travel, costs, etc)	330	0	0	22	33	55	66	66	66	33	0	341
	3200	Group training (study tours, field trips, workshops, seminars, etc) (give title)	1,080	0	0	0	160	220	150	240	140	150	0	1060
	3300	Meetings/conferences (give title)	1,648	52	120	164	398	91	216	94	182	240	99	1657
	3999	<b>Component Total</b>	<b>3,058</b>	<b>52</b>	<b>120</b>	<b>186</b>	<b>591</b>	<b>366</b>	<b>432</b>	<b>400</b>	<b>388</b>	<b>423</b>	<b>99</b>	<b>3,058</b>



**Table 3. GEF Budget [US\$ thousands]**

	GEF PSC Approved	2002		2003		2004		2005		2006		TOTAL	Revision Decrease = + Increase = -
		1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>		
<b>1000 PROJECT PERSONNEL COMPONENT</b>													
<b>1100 Project Personnel w/m (Show title/grade)</b>													
1101 Project Director (L6) *	<b>761.000</b>	41.000	94.000	78.000	78.000	78.000	78.000	78.000	78.000	78.000	49.000	<b>730.000</b>	31.000
1102 1/2 Senior Expert (L5) **	<b>359.000</b>	43.000	67.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	23.000	<b>392.000</b>	-33.000
1103 Expert (L4)	<b>608.000</b>	28.000	51.000	38.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>117.000</b>	491.000
1104 Expert (L3)	<b>504.000</b>	35.000	50.000	53.000	53.000	53.000	53.000	53.000	53.000	53.000	27.000	<b>483.000</b>	21.000
1105 Junior Expert (L2)	<b>0.000</b>	0.000	0.000	28.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	<b>322.000</b>	-322.000
1106 Junior Expert (L2)	<b>0.000</b>	0.000	0.000	0.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	<b>294.000</b>	-294.000
1199 Total	<b>2232.000</b>	<b>147.000</b>	<b>262.000</b>	<b>234.000</b>	<b>252.000</b>	<b>252.000</b>	<b>252.000</b>	<b>252.000</b>	<b>252.000</b>	<b>252.000</b>	<b>183.000</b>	<b>2338.000</b>	-51.000
<b>1200 Consultants w/m (Give description of activity/service)</b>													
1201 Drafting and finalisation of metadata fields & evaluation guidelines, mangroves.	<b>7.000</b>											<b>0.000</b>	7.000
1202 Develop criteria and elements of a national action plans to maintain regionally important mangroves areas	<b>21.000</b>											<b>0.000</b>	21.000
1203 Develop regional criteria and SAP elements for mangroves	<b>21.000</b>											<b>0.000</b>	21.000
1204 Develop regional framework for metadata and linkages for national data systems	<b>14.000</b>											<b>0.000</b>	14.000
1205 Draft the criteria, guidelines for national management plans and for economic evaluation (coral)	<b>21.000</b>											<b>0.000</b>	21.000
1206 Development of regional priority actions for inclusion in the SAP (coral)	<b>21.000</b>											<b>0.000</b>	21.000
1207 Develop the criteria, guidelines for national management plans and for economic evaluation (seagrass)	<b>14.000</b>											<b>0.000</b>	14.000
1208 Development of regional priority actions for inclusion in the SAP to maintain regionally significant seagrass meadows (seagrass)	<b>14.000</b>											<b>0.000</b>	14.000

Table 3. GEF Budget [US\$ thousands] cont.

	GEF PSC Approved	2002		2003		2004		2005		2006		TOTAL	Revision Decrease = + Increase = -	
		1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>			
1209	Prepare a regional review of wetlands projects, management & use; draft criteria for prioritisation; guidelines for the national management plans and for economic evaluation (wetland)	21.000										0.000	21.000	
1210	Develop awareness materials for use among small and artisanal fishing communities in the priority areas	14.000										0.000	14.000	
1211	Prepare draft regional water quality objectives and water quality and effluent standards for consideration by RWG-Lb-P	14.000										0.000	14.000	
1212	Prepare guidelines for the development of national management plans, aimed at implementing the GPA/LBA (pollution)	14.000										0.000	14.000	
1213	Develop a South China Sea strategic approach to mitigating priority regional hot spots for inclusion in the SAP for the SCS (pollution)	14.000										0.000	14.000	
1214	Regional Scientific & Technical Advisors	60.000	0.000	0.000	16.000	0.000	16.000	0.000	16.000	0.000	16.000	0.000	64.000	-4.000
1215	Unassigned	98.000	0.000	0.000	0.000	0.000	14.000	21.000	21.000	14.000	14.000	0.000	84.000	14.000
1216	Consultant in financial sustainability	0.000	0.000	0.000	20.000	30.000	30.000	20.000	0.000	0.000	0.000	0.000	100.000	-100.000
1217	Environmental legal specialists	0.000	0.000	12.200	13.800	12.000	9.000	0.000	0.000	0.000	0.000	0.000	47.000	-47.000
1218	Environmental Economics & Resource valuation	0.000	0.000	0.000	21.000	18.000	10.000	0.000	0.000	0.000	0.000	0.000	49.000	-49.000
1299	Total	368.000	0.000	12.200	70.800	60.000	79.000	41.000	37.000	14.000	30.000	0.000	344.000	24.000
1300	<b>Administrative support w/m (Show title/grade)</b>													
1301	Associate admin. Offer (L2)	399.000	0.000	0.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	21.000	315.000	84.000
1302	Secretary/presentation designer (G6)	213.000	5.000	16.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	181.000	32.000
1303	Secretary (G4)		0.000	0.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	80.000	-80.000
1399	Total	612.000	5.000	16.000	72.000	72.000	72.000	72.000	72.000	72.000	72.000	51.000	576.000	36.000

Table 3 GEF Budget [US\$ thousands] cont.

		GEF	2002		2003		2004		2005		2006		TOTAL	Revision	
		PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>		Decrease = + Increase = -	
	<b>1400</b>	<b>Volunteers w/m</b>													
	1401		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>	0.000	
	1499	Total	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	0.000	
	<b>1600</b>	<b>Travel on official business</b>													
	1601	Staff Travel (regional)	<b>270.000</b>	9.000	31.000	30.000	28.000	25.000	35.000	27.000	30.000	21.000	21.000	<b>257.000</b>	13.000
	1602	Staff Travel (global)	<b>160.000</b>	0.000	0.000	18.000	15.000	18.000	15.000	18.000	15.000	18.000	10.000	<b>127.000</b>	33.000
	1603	Staff Travel (in-country)	<b>30.000</b>	0.000	0.000	0.000	15.000	15.000	0.000	0.000	0.000	0.000	0.000	<b>30.000</b>	0.000
	1699	Total	<b>460.000</b>	<b>9.000</b>	<b>31.000</b>	<b>48.000</b>	<b>58.000</b>	<b>58.000</b>	<b>50.000</b>	<b>45.000</b>	<b>45.000</b>	<b>39.000</b>	<b>31.000</b>	<b>414.000</b>	46.000
	<b>1999</b>	<b>Component Total</b>	<b>3672.000</b>	<b>161.000</b>	<b>321.200</b>	<b>424.800</b>	<b>442.000</b>	<b>461.000</b>	<b>415.000</b>	<b>406.000</b>	<b>383.000</b>	<b>393.000</b>	<b>265.000</b>	<b>3672.000</b>	0.000
	<b>2000</b>	<b>SUB-CONTRACT COMPONENT</b>													
	<b>2100</b>	<b>Sub-contracts (MoU's/LA's for UN cooperating agencies)</b>													
	2101		<b>0.000</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>		
	2199	Total	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	0.000	
	<b>2200</b>	<b>Sub-contracts (MoU's/LA's for non-profit supporting organizations)</b>													
	2201	MoU IMC Cambodia	<b>32.560</b>	8.140	7.440	8.140	8.140							<b>31.860</b>	0.700
	2202	MoU Mangrove & Wetland Cambodia	<b>206.300</b>	57.000	51.860	63.860	33.580							<b>206.300</b>	0.000
	2203	MoU Coral Reefs & Seagrass, Cambodia	<b>201.340</b>	58.000	12.785	56.500	20.670							<b>147.955</b>	53.385
	2204	MoU Fisheries Cambodia	<b>51.330</b>	9.000	4.967	17.000	20.330							<b>51.297</b>	0.033
	2205	MoU Pollution Cambodia	<b>78.000</b>	24.000	13.930	29.000	5.000							<b>71.930</b>	6.070
	2206	MoU IMC China	<b>32.560</b>	8.140	8.140	8.140	8.140							<b>32.560</b>	0.000
	2207	MoU Mangrove China	<b>140.300</b>	43.000	32.860	40.860	23.580							<b>140.300</b>	0.000
	2208	MoU Seagrass China	<b>121.000</b>	41.000	39.000	32.000	9.000							<b>121.000</b>	0.000
	2209	MoU Wetlands China	<b>66.000</b>	14.000	19.000	23.000	10.000							<b>66.000</b>	0.000
	2210	MoU Pollution China	<b>78.000</b>	24.000	20.000	29.000	5.000							<b>78.000</b>	0.000
	2211	MoU IMC Indonesia	<b>32.560</b>	8.140	8.140	8.140	8.140							<b>32.560</b>	0.000
	2212	MoU Mangrove Indonesia	<b>140.300</b>	43.000	32.860	40.860	23.580							<b>140.300</b>	0.000
	2213	MoU Corals Indonesia	<b>80.340</b>	17.000	27.170	24.500	11.670							<b>80.340</b>	0.000

Table 3 GEF Budget [US\$ thousands] cont.

	GEF	2002		2003		2004		2005		2006		TOTAL	Revision Decrease = + Increase = -
		PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>		
2214	MoU Seagrass Indonesia	121.000	41.000	37.051	32.000	9.000						119.051	1.949
2215	MoU Wetlands Indonesia	66.000	14.000	19.000	23.000	10.000						66.000	0.000
2216	MoU Fisheries Indonesia	51.330	9.000	5.000	17.000	20.330						51.330	0.000
2217	MoU Pollution Indonesia	78.000	24.000	20.000	29.000	5.000						78.000	0.000
2218	MoU IMC Malaysia	32.560	0.000	8.140	8.140	8.140						24.420	8.140
2219	MoU Mangrove Malaysia	140.300	0.000	0.000	40.860	23.580						64.440	75.860
2220	MoU Corals Malaysia	80.340	0.000	17.000	24.500	11.670						53.170	27.170
2221	MoU Seagrass Malaysia	121.000	0.000	41.000	32.000	9.000						82.000	39.000
2222	MoU Wetlands Malaysia	66.000	0.000	14.000	23.000	10.000						47.000	19.000
2223	MoU Fisheries Malaysia	51.330	0.000	0.000	17.000	20.330						37.330	14.000
2224	MoU Pollution Malaysia	78.000	0.000	24.000	29.000	5.000						58.000	20.000
2225	MoU IMC Philippines	32.560	8.140	8.140	8.140	8.140						32.560	0.000
2226	MoU Mangrove Philippines	140.300	43.000	0.000	40.860	23.580						107.440	32.860
2227	MoU Corals Philippines	80.340	17.000	27.170	24.500	11.670						80.340	0.000
2228	MoU Seagrass Philippines	121.000	41.000	39.000	32.000	9.000						121.000	0.000
2229	MoU Wetlands Philippines	66.000	14.000	19.000	23.000	10.000						66.000	0.000
2230	MoU Fisheries Philippines	51.330	9.000	5.000	17.000	20.330						51.330	0.000
2231	MoU Pollution Philippines	78.000	24.000	20.000	29.000	5.000						78.000	0.000
2232	MoU IMC Thailand	32.560	8.140	8.140	8.140	8.140						32.560	0.000
2233	MoU Mangrove Thailand	140.300	43.000	0.000	40.860	23.580						107.440	32.860
2234	MoU Corals Thailand	80.340	17.000	24.740	24.500	11.670						77.910	2.430
2235	MoU Seagrass Thailand	121.000	41.000	39.000	32.000	9.000						121.000	0.000
2236	MoU Wetlands Thailand	66.000	14.000	19.000	23.000	10.000						66.000	0.000
2237	MoU Fisheries Thailand	51.330	9.000	5.000	17.000	20.330						51.330	0.000
2238	MoU Pollution Thailand	78.000	24.000	7.370	29.000	5.000						65.370	12.630
2239	MoU IMC Vietnam	32.560	8.140	8.140	8.140	8.140						32.560	0.000
2240	MoU Mangrove Vietnam	140.300	43.000	32.860	40.860	23.580						140.300	0.000
2241	MoU Corals Vietnam	80.340	17.000	27.170	24.500	11.670						80.340	0.000



Table 3 GEF Budget [US\$ thousands] cont.

			GEF	2002		2003		2004		2005		2006		TOTAL	Revision
			PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>		Decrease = + Increase = -
	<b>3100</b>	<b>Fellowships (total stipend/fees, travel, costs, etc)</b>													
	3101	Support for young scientists working in demonstration site (mongr)	90.000	0.000	0.000	0.000	0.000	11.000	22.000	22.000	22.000	11.000	0.000	88.000	2.000
	3102	Support for young scientists working in demonstration site (coral)	90.000	0.000	0.000	0.000	0.000	11.000	22.000	22.000	22.000	11.000	0.000	88.000	2.000
	3103	Support for young scientists working in demonstration site (seagrass)	90.000	0.000	0.000	0.000	0.000	11.000	22.000	22.000	22.000	11.000	0.000	88.000	2.000
	3104	Support for young professionals in project management and implementation	60.000	0.000	0.000	22.000	33.000	22.000	0.000	0.000	0.000	0.000	0.000	77.000	-17.000
	3199	Total	330.000	0.000	0.000	22.000	33.000	55.000	66.000	66.000	66.000	33.000	0.000	341.000	-11.000
	<b>3200</b>	<b>Group training (study tours, field trips, workshops, seminars, etc) (give title)</b>													
	3201	Study tours to demonstration sites (mangrove)	120.000	0.000	0.000	0.000	0.000	20.000	30.000	30.000	20.000	20.000	0.000	120.000	0.000
	3202	Study tours to demonstration sites (coral)	120.000	0.000	0.000	0.000	0.000	20.000	30.000	30.000	20.000	20.000	0.000	120.000	0.000
	3203	Study tours to demonstration sites (seagrass)	110.000	0.000	0.000	0.000	0.000	20.000	30.000	30.000	20.000	10.000	0.000	110.000	0.000
	3204	Study tours to pilot sites (pollution)	120.000	0.000	0.000	0.000	0.000	20.000	30.000	30.000	20.000	20.000	0.000	120.000	0.000
	3205	Training courses workshops mangroves	60.000	0.000	0.000	0.000	30.000	0.000	0.000	30.000	0.000	0.000	0.000	60.000	0.000
	3206	Training courses workshops on coral reefs	60.000	0.000	0.000	0.000	30.000	0.000	0.000	30.000	0.000	0.000	0.000	60.000	0.000
	3207	Training courses workshops on seagrasses	60.000	0.000	0.000	0.000	30.000	0.000	0.000	0.000	30.000	0.000	0.000	60.000	0.000
	3208	Training workshop on wetland management	50.000	0.000	0.000	0.000	0.000	50.000	0.000	0.000	0.000	0.000	0.000	50.000	0.000
	3210	Training workshop on blast fishing detection system (fishery)	40.000	0.000	0.000	0.000	40.000	0.000	0.000	0.000	0.000	0.000	0.000	40.000	0.000
	3211	Regional workshops to promote the Code of Conduct for Responsible Fisheries	60.000	0.000	0.000	0.000	0.000	30.000	0.000	0.000	30.000	0.000	0.000	60.000	0.000
	3212	Training courses, workshops on water quality management and pollution control	90.000	0.000	0.000	0.000	0.000	30.000	0.000	30.000	0.000	30.000	0.000	90.000	0.000

**Table 3 GEF Budget [US\$ thousands] cont.**

			GEF	2002		2003		2004		2005		2006		TOTAL	Revision
			PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>		Decrease = + Increase = -
	3213	Training courses, workshops on resource evaluation and environmental economics	<b>90.000</b>	0.000	0.000	0.000	30.000	0.000	30.000	0.000	0.000	30.000	0.000	<b>90.000</b>	0.000
	3214	Group training unspecified	<b>100.000</b>	0.000	0.000	0.000	0.000	30.000	0.000	30.000	0.000	20.000	0.000	<b>80.000</b>	20.000
	3299	Total	<b>1080.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>160.000</b>	<b>220.000</b>	<b>150.000</b>	<b>240.000</b>	<b>140.000</b>	<b>150.000</b>	<b>0.000</b>	<b>1060.000</b>	20.000
	<b>3300</b>	<b>Meetings/conferences (give title)</b>													0.000
	3301	Project Steering Committee meetings	<b>125.000</b>	0.000	15.000	0.000	20.000	0.000	20.000	0.000	20.000	0.000	20.000	<b>95.000</b>	30.000
	3302	Regional Scientific & Technical Committee	<b>180.000</b>	12.368	17.632	25.000	25.000	0.000	25.000	0.000	25.000	0.000	25.000	<b>155.000</b>	25.000
	3303	Regional Working Group Mangroves (RWG-M)	<b>118.000</b>	8.282	10.510	16.000	16.000	16.000	0.000	18.000	18.000	0.000	18.000	<b>120.792</b>	-2.792
	3304	Regional Working Group Corals (RWG-C)	<b>116.000</b>	5.969	9.448	16.000	16.000	0.000	16.000	0.000	18.000	0.000	18.000	<b>99.417</b>	16.583
	3305	Regional Working Group Seagrass (RWG-S)	<b>116.000</b>	7.877	12.268	16.000	16.000	0.000	16.000	0.000	18.000	0.000	18.000	<b>104.145</b>	11.855
	3306	Regional Working Group Wetlands (RWG-W)	<b>126.000</b>	5.606	16.598	16.000	16.000	0.000	16.000	0.000	18.000	18.000	0.000	<b>106.204</b>	19.796
	3307	Regional Working Group Fisheries (RWG-F)	<b>108.000</b>	5.619	9.546	16.000	16.000	16.000	0.000	16.000	0.000	18.000	0.000	<b>97.165</b>	10.835
	3308	Regional Working Group Pollution (RWG-LpP)	<b>116.000</b>	6.327	15.716	16.000	16.000	16.000	0.000	18.000	0.000	18.000	0.000	<b>106.043</b>	9.957
	3309	Develop regional management plans for a regional system of refugia for transboundary fish stocks	<b>75.000</b>	0.000	0.000	0.000	24.000	0.000	24.000	0.000	24.000	0.000	0.000	<b>72.000</b>	3.000
	3310	Agree on priority regional hot spots for inclusion in the SAP for the SCS	<b>50.000</b>	0.000	0.000	0.000	0.000	0.000	24.000	24.000	0.000	0.000	0.000	<b>48.000</b>	2.000
	3311	Consideration of regional priority actions, targets and approaches for inclusion in the SAP	<b>60.000</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>	60.000
	3312	Convene two regional scientific meetings in conjunction with partnership conferences for presentation of the SAP and priority actions portfolios	<b>200.000</b>	0.000	0.000	0.000	150.000	0.000	0.000	0.000	0.000	150.000	0.000	<b>300.000</b>	-100.000
	3313	6 workshops to: review national legislation; discuss modes of harmonisation; & current obligations of countries under Global Conventions.	<b>108.000</b>	0.000	0.000	18.000	18.000	18.000	18.000	18.000	0.000	18.000	0.000	<b>108.000</b>	0.000

Table 3 GEF Budget [US\$ thousands] cont.

	GEF	2002		2003		2004		2005		2006		TOTAL	Revision	
		PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>			2 <sup>nd</sup>
3314	Review possible approaches to meeting the common objectives of the countries in the SAP; prepare recommendations concerning the optimum mode of countries meeting their obligations under the global conventions.	50.000	0.000	0.000	0.000	25.000		25.000	0.000	25.000	0.000	0.000	75.000	-25.000
3315	Meeting unspecified	100.000	0.000	0.000	0.000	0.000	0.000	16.600	0.000	16.000	18.000	0.000	50.600	49.400
	GIS, Data & Information workshops	0.000	0.000	13.604	0.000	15.000	0.000	16.000	0.000	0.000	0.000	0.000	44.604	44.604
3316	Economic valuation	0.000	0.000	0.000	25.000	25.000	25.000	0.000	0.000	0.000	0.000	0.000	75.000	49.400
3399	Total	1648.000	52.048	120.322	164.000	398.000	91.000	216.600	94.000	182.000	240.000	99.000	1656.970	-8.970
3999	Component Total	3058.000	52.048	120.322	186.000	591.000	366.000	432.600	400.000	388.000	423.000	99.000	3057.970	0.030
4000	<b>EQUIPMENT &amp; PREMISES COMPONENT</b>													
4100	<b>Expendable equipment (items under (\$1,500 each, for example)</b>													
4101	Office supplies	30.000	0.628	1.900	5.000	2.500	5.000	2.500	5.000	2.500	5.000	0.000	30.028	-0.028
4102	Library acquisitions	15.000	0.000	0.000	0.000	3.000	0.000	3.000	0.000	3.000	0.000	0.000	9.000	6.000
4103	Computer Software	10.000	0.000	3.042	0.000	0.000	0.000	0.000	1.969	0.000	0.000	0.000	5.011	4.989
4199	Total	55.000	0.628	4.942	5.000	5.500	5.000	5.500	6.969	5.500	5.000	0.000	44.039	10.961
4200	<b>Non-expendable equipment (computers, office equip, etc)</b>													
4201	Computers	40.000	6.623	5.877	10.000	0.000	5.000	0.000	0.000	5.000	0.000	0.000	32.500	7.500
4202	Printers	10.000	0.000	0.302	0.000	0.000	0.000	5.000	0.000	0.000	0.000	0.000	5.302	4.698
4203	Copy machine	5.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	0.000	0.000	0.000	2.000	3.000
4204	PowerPoint OHP	5.000	0.000	5.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000	0.000
4205	Equipment unspecified	40.000	0.000	0.000	0.000	10.000	0.000	10.000	0.000	10.000	0.000	0.000	30.000	10.000
4206	Document centre - fax/printer/copier		11.135	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.135	-11.135
4207	Mobile phone		0.556	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.556	-0.556
4208	Digital camera		0.000	0.908									0.908	10.000
4299	Total	100.000	18.314	12.087	10.000	10.000	5.000	17.000	0.000	15.000	0.000	0.000	87.401	12.599

Table 3 GEF Budget [US\$ thousands] cont.

			GEF	2002		2003		2004		2005		2006		TOTAL	Revision
			PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>		Decrease = + Increase = -
	<b>4300</b>	<b>Premises (office rent, maintenance, of premises, etc)</b>													
	4301	Office rent	75.000	0.000	15.000	15.000	0.000	15.000	0.000	15.000	0.000	15.000	0.000	75.000	0.000
	4302	Furniture	20.000	0.000	10.000	5.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15.000	5.000
	4303	unspecified costs	10.000	0.000	0.000	0.000	0.000	5.000	0.000	0.000	0.000	0.000	0.000	5.000	5.000
	4399	Total	105.000	0.000	25.000	20.000	0.000	20.000	0.000	15.000	0.000	15.000	0.000	95.000	10.000
	<b>4999</b>	<b>Component Total</b>	<b>260.000</b>	<b>18.942</b>	<b>42.029</b>	<b>35.000</b>	<b>15.500</b>	<b>30.000</b>	<b>22.500</b>	<b>21.969</b>	<b>20.500</b>	<b>20.000</b>	<b>0.000</b>	<b>226.440</b>	<b>33.560</b>
	<b>5000</b>	<b>MISCELLANEOUS COMPONENT</b>													
	<b>5100</b>	<b>Operation and maintenance of equip.</b>													
	5101	Rental & maint. of computer equip.	10.000	0.000	0.000	0.000	3.000	0.000	2.000	0.000	2.000	0.000	0.000	7.000	3.000
	5102	Rental & maint. of copiers	4.960	0.000	0.000	2.000	0.000	0.000	0.000	3.000	0.000	0.000	0.000	5.000	-0.040
	5103	Repair & maint. of vehicles & insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	5104	Rental & maint. of other office equip	10.000	0.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000	8.000	2.000
	5105	Rental of meeting rooms & equip.	20.000	0.000	0.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000	0.000	6.000	14.000
	5199	Total	44.960	0.000	0.000	4.000	5.000	2.000	4.000	5.000	4.000	2.000	0.000	26.000	18.960
	<b>5200</b>	<b>Reporting costs (publications, maps, newsletters, printing, etc)</b>													
	5201	Reporting	50.000	5.468	6.532	20.000	17.000	20.000	0.000	25.000	0.000	25.000	0.000	119.000	-69.000
	5202	Publication (other than reports)	123.000	5.468	12.532	0.000	10.000	15.000	18.000	15.000	20.000	20.000	0.000	116.000	7.000
	5203	Webpage design and updating	25.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	25.000
	5204	Newsletter		0.000	0.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	40.000	-40.000
	5299	Total	198.000	10.936	19.064	25.000	32.000	40.000	23.000	45.000	25.000	50.000	5.000	275.000	-77.000
	<b>5300</b>	<b>Sundry (communications, postage, freight, clearance charges, etc)</b>													
	5301	Communication	72.000	1.506	2.794	8.000	8.000	8.000	8.000	8.000	8.000	8.000	0.000	60.300	11.700
	5302	postage/freight	27.000	0.317	1.183	3.200	3.000	3.000	3.000	3.000	3.000	3.000	0.000	22.700	4.300
	5303	unspecified	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	5399	Total	99.000	1.823	3.977	11.200	11.000	11.000	11.000	11.000	11.000	11.000	0.000	83.000	16.000

Table 3. GEF Budget [US\$ thousands] cont.

		GEF	2002		2003		2004		2005		2006		TOTAL	Revision	
		PSC Approved	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>		Decrease = + Increase = -	
	<b>5400</b>	<b>Hospitality and entertainment</b>													
	5401	Hospitality and entertainment	45.000	0.000	1.000	4.775	4.775	4.000	6.000	5.000	5.000	3.000	3.000	36.550	8.450
	5499	Total	45.000	0.000	1.000	4.775	4.775	4.000	6.000	5.000	5.000	3.000	3.000	36.550	8.450
	<b>5500</b>	<b>Evaluation (consultants fees/travel/DSA, admin support, etc. internal projects)</b>													
	5501	Evaluation (consultants fees/travel/DSA)	96.000	0.000	0.000	0.000	48.000	0.000	0.000	0.000	48.000	0.000	0.000	96.000	0.000
	5599	Total	96.000	0.000	0.000	0.000	48.000	0.000	0.000	0.000	48.000	0.000	0.000	96.000	0.000
	<b>5999</b>	<b>Component Total</b>	<b>482.960</b>	<b>12.759</b>	<b>24.041</b>	<b>44.975</b>	<b>100.775</b>	<b>57.000</b>	<b>44.000</b>	<b>66.000</b>	<b>93.000</b>	<b>66.000</b>	<b>8.000</b>	<b>516.550</b>	<b>-33.590</b>
	<b>9999</b>	<b>Total</b>	<b>16414.000</b>	<b>1155.589</b>	<b>1347.665</b>	<b>1918.775</b>	<b>2707.315</b>	<b>1722.000</b>	<b>1872.100</b>	<b>1631.969</b>	<b>1712.500</b>	<b>1470.000</b>	<b>530.000</b>	<b>16067.913</b>	<b>346.087</b>
		Balance	0.000											346.087	



## ANNEX 7

### Proposals for the Development of Mechanisms to Secure Financial Sustainability

#### INTRODUCTION

Recognising that, the issue of sustainability of project benefits beyond the life of the GEF grant funds is of paramount importance, the Project Steering Committee decided, at its first meeting in October 2001, in Bangkok:

*"The representative from the Philippines noted the need to consider throughout the life of the project, mechanisms that could be used to ensure sustainability of the benefits following completion of the project. There was general agreement that this was an extremely important matter, which should be considered by the Committee at each of its meetings. (Paragraph 10.1.1 of document UNEP/GEF/SCS/PSC.1/3")*

The Project Steering Committee is aware that, GEF grant funds alone will be inadequate to redress existing environmental degradation trends, or to reverse the current trends in degradation. There is a need for the Project Steering Committee to consider the way in which existing GEF grant funds can be used to leverage additional financial support<sup>8</sup> from sources such as, national and local governments, the private sector, community groups and non-governmental organisations. Such additional resources are required if the project is to address more fully the identified issues and problems surrounding environmental degradation in the South China Sea marine basin.

The present document outlines some elements that could be used in the development of an overall strategy to be initiated in 2003.

#### DEVELOPING A STRATEGY FOR FINANCIAL SUSTAINABILITY

Three key elements of an overall strategy are needed to address three types of need:

- firstly, the need to raise co-financing during the course of 2003 to support the initiation of demonstration activities as planned under the project document;
- secondly, the need for a longer term strategy that will ensure the internal generation of revenue streams to secure continued operation and management of the demonstration activities beyond the life of the project; and,
- thirdly, the need to generate sources of revenue that will support the regional level co-ordination functions and associated transaction costs.

The latter activities lie more appropriately within the purview of regional bodies such as COBSEA, but nevertheless, continuation of national level actions without the regional co-ordination functions will result in a steady, and probably rapid, decline in benefits following completion of the GEF Project activities in December 2006.

The Project Co-ordinating Unit, whilst it contains amongst its staff, considerable experience in the area of project oriented resource mobilization, does not have the specialist expertise required to successfully generate substantial sums of money and develop revenue streams in support of broader environmental goals and objectives. There is a need therefore to secure the services of such an expert during 2003 to initiate the steps towards developing such a strategy for consideration and adoption by the Project Steering Committee at its third meeting in December 2003.

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<sup>7</sup> UNEP, 2001. *Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand. Report of the first Project Steering Committee meeting.* UNEP (GEF)/SCS/PSC.1/3.

<sup>8</sup> Item (v) of the Terms of reference for the Project Steering Committee states: "Assist UNEP and the PCU in raising such additional co-financing as may be required from time to time."

## ELEMENTS OF A FINANCIAL STRATEGY

### Co-financing for project demonstration sites

The needs for co-financing of the demonstration sites and activities will only become fully apparent during 2003 as and when detailed costed proposals for site specific action are developed at the national level. It is proposed therefore that the staff of the PCU assist directly, individuals and institutions in identifying the co-financing needs of sets of specific sites in each country, regardless of whether or not these are finally selected for funding using GEF funds. This will necessitate a detailed site, or action specific review, of:

- current levels of investment in management actions at each site, from all sources, public and private sectors, and civil society;
- actions required, or planned that, will result in a concrete, definable and measurable change in environmental state;
- alternative modes of executing these actions;
- costs and benefits resulting from adoption of the various alternative modes of action; and,
- potential mechanisms for revenue stream generation that would result in each site or activity becoming self-financing in the longer term.

Assuming that such analyses and evaluations are conducted at a sufficient number of sites then the elements of both National Action Plans and the Regional Strategic Action Programme will in effect be developed, since at the simplest level action plans consist merely of a listing of required actions.

If such analyses are conducted to a sufficient level of detail and are credible and scientifically sound then not only will the elements for presentation during the partnership conference have been generated, but also bilateral and multi-lateral donors are likely to find such opportunities of considerable interest.

It is imperative that, not only are the site specific proposals for demonstration activities well prepared, but also that, they have a real possibility of achieving environmental benefits which can be measured in the short-term. The responsibility for this, lies squarely at the level of the National Committees and National Technical Working Groups. The PCU can provide support and if required, make available the services of experts from elsewhere in the region when specific needs are identified early enough.

### Generating Revenue Streams at the site level

In part the opportunities for generating sustainable revenue may be site specific, reflecting environmental resource availability, opportunities, management regimes, ownership and use rights, and other social and economic factors. Furthermore the opportunities for revenue generation will also reflect the specific objectives, and scope of activities that, result from the nature of each demonstration site. Nevertheless certain generic forms of action leading to site-specific interventions may be possible including *inter alia*:

- defining general scenarios for the involvement of the private sector, civil society, and national and local governments through a comprehensive stakeholder analysis and review;
- establishment of appropriate rotating and/or endowment funds<sup>9</sup> that could be established to provide long term financial security for activities;
- proposals for micro-financing of community level action; and,
- evaluation of possible modalities of ensuring financial sustainability of demonstration site management systems, through a consideration of proposals for generating new and additional revenue streams that might be tapped at each of the demonstration sites.

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<sup>9</sup> Three types of "fund" are commonly established for environmental purposes: an endowment fund is one in which the interest deriving from a capital fund is spent on agreed activities, but the capital sum remains untouched; revolving funds, where the grants are managed in the form of loans; and, declining funds in which both interest and capital are expended over an agreed time frame.

There are considerable experiences to date, scattered throughout the region, that have been promoted and facilitated in their initial stages, by a wide variety of regional bodies. A review of these mechanisms is required and information concerning their operation needs to be made available at the national level in order to evaluate such possibilities on a site-by-site basis.

### **Generating Revenue Streams at the Regional Level**

Operating a regionally co-ordinated programme of actions requires financial resources that can be applied at the regional level to harmonise national actions, define and promote regional goals and objectives and assist individual countries in meeting their commitments to regionally agreed goals and objectives.

Traditionally such costs have been met purely from the public sector via central government annual contributions to regional bodies, either voluntary or assessed. Such methods of support result in an unacceptable distribution of the transactions costs and more equitable burden sharing is needed if regionally co-ordinated actions are to continue in the future. The possibilities of engaging the private sector and non-governmental civil society in funding such actions should be explored.

The possibilities for establishment of appropriate regional, rotating and/or endowment funds based on the experiences of the GEF in establishing such funds need to be explored, including alternative approaches to fund establishment; governance; management and purpose, for consideration by the participating governments. Alternatives will include consideration of the establishment of both national and regional funds.

### **PROPOSED ACTIONS**

#### ***The Project Co-ordinating Unit will***

1. Take responsibility for commissioning and assist in the preparation, by April 30<sup>th</sup>, of a draft overall strategy<sup>10</sup> for raising the co-financing required under the project document;
2. Actively initiate actions within the framework of that strategy between May and December 2003;
3. Finalise in consultation with the National Focal Points and National Technical Focal Points, the strategy, for adoption by the third meeting of the Project Steering Committee in December 2003;
4. Actively assist the appropriate national authorities to undertake cost benefit analyses and prepare correctly planned budgets to cover the costs of activities envisaged at the demonstration sites;
5. Actively assist the appropriate national authorities in ensuring that sound institutional and financial management infrastructure are in place sufficient to ensure sound financial management of the sites over the long-term;
6. Plan the partnership workshop to be convened within the framework of the Regional Scientific Conference to be convened in December 2003 ensuring as far as possible attendance of appropriate representatives of donor countries, foundations and other organizations, which might potentially contribute to the goals of the project;
7. Prepare by April 30<sup>th</sup> the first draft of a discussion document for consideration by the Regional Scientific and Technical Committee outlining proposals for the establishment of appropriate rotating and/or endowment funds that could be established to provide long-term financial security for activities in support of project goals and objectives;

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<sup>10</sup> This strategy shall include proposals for involvement of the private sector, civil society and governments in raising the necessary financial resources required to execute project activities and secure financial sustainability of national and regional actions in support of the project goals and objectives.

***The National Technical Focal Points and National Focal Points will:***

1. Follow-up after the 3<sup>rd</sup> Meeting of the RSTC, with appropriate national authorities, including the Ministries of Environment and Finance to explore the opportunities for establishment of site-specific funds;
2. Evaluate site-specific proposals for new and additional revenue streams that might be tapped at each of the demonstration sites;
3. Prepare a report on these activities and identified opportunities at the national level, including recommendations for consideration by the fourth meeting of the Regional Scientific and Technical Committee and the third meeting of the Project Steering Committee to be held in December 2003.

## ANNEX 8

### **Building Partnerships, Extending and Strengthening Stakeholder Involvement in the UNEP/GEF Project Entitled: “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”**

#### **Background**

One of the keys to the success of any large and complex regional endeavour such as the UNEP/GEF project is transparency of action at all levels and by all partners. The original management framework for the project, together with the terms of reference for the regional committees and working groups established by the project were adopted by the Steering Committee at its first meeting. The intention of this structure was to ensure a two-way flow of information regarding execution of the project between government sectors within countries; from the national to the regional levels; and from the regional to the national level.

Following one year of operation it is felt timely to review the effectiveness of the structures put in place; to consider ways and means by which the flow of information may be facilitated; and to broaden the participation. This Annex provides comments on experience to date; some proposals for improving communication and the flow of information amongst the primary stakeholders, namely the participating governments; and some suggestions for new areas of endeavour during 2003.

#### **Improving and Strengthening, information flow within the project management framework**

##### **Role of the Project Co-ordinating Unit**

The Project Co-ordinating Unit exists to: co-ordinate, at a regional level, the actions of the Specialised Executing Agencies; ensure prompt and correct reporting of activities, including expenditures to the United Nations System and to the GEF; ensure prompt disbursement of funds; facilitate the work of the SEAs through provision of technical and other support as required; and to plan and manage the overall work plans and timetables.

During 2002 the PCU has operated with less than a full complement of staff and without established procedures and protocols for handling routine operations. These formats, procedures and tracking systems have been developed over the year such that it is hoped that from January onwards some of the delays encountered during 2002 will not recur. A weakness has been delays in response, both by the PCU and by, the SEAs during the process of finalising the half yearly reports. The commitment of PCU time was excessive and delays (on both sides) were in some instances quite unacceptable.

1. *It is proposed that the PCU **AND** the SEAs agree a mutual set of voluntary “service standards”, such that: on the one hand the SEAs ensure that reports are delivered electronically, in draft, within 10 working days of the due date, and the PCU will undertake to respond substantively within 10 working days of receipt.*

One area, which requires strengthening during 2003, is in regular correspondence between the PCU member of the Regional Working Groups, the Chairpersons and the members from the participating countries. To date communication has tended to be limited to individual level communications between the SEAs and the PCU and *vice versa*, without being copied more widely amongst the members of the Regional Working Group.

2. *It is suggested that in future when individual SEA focal points are transmitting draft reports and substantive items they copy these to all members of the Regional Working Group to improve both the transparency of operation and the flow of information.*

Fostering regular communication on matters of substance is seen as vital to the overall goals of the project and electronic discussion fora should be used for regular exchange of views and information and in up-dating the members of each Regional Working Group on progress and developments at both the national and regional levels. More regular communication is considered vital during the first half of next

year if all countries are to progress at the same rate and simultaneously arrive at the same milestones during 2003. Whilst the PCU member of each RWG can initiate some discussion the Chairperson, Vice-chairperson, and Rapporteur of each RWG, have vital roles to play.

3. *It is suggested that a series of discussion topics are agreed between the Chairperson and the PCU during the course of the RSTC meeting and that discussions are initiated by the Chairperson, with the Rapporteur of the RWG acting as reporter for these discussions. The reporter and the PCU member will jointly produce a synthesis of the contributions to the discussion on a monthly basis, and the synthesis will be posted on the project home page.*

### **Role of the National Technical Focal Points and National Technical Working Groups**

The roles of the National Technical Focal Points and National Technical Working Groups will become increasingly important over the year 2003 as the point of selecting demonstration sites is reached. It has become clear during 2002 that the NTWGs can perform a vital function in co-ordinating the actions of the individual SEAs at the national level, both in terms of process related uniformity (several countries have agreed on uniform charges and fees for application in all components of the project for example) and in terms of co-ordination of the scientific and technical work of the SEAs.

In the latter context the NTWGs have a vital role in ensuring that the work of each of the SEAs is conducted in a complementary manner and that, decisions regarding national priorities for demonstration sites in each sub-component are taken in the overall national development context of the coastal zone. The National Technical Focal Points should foster collaboration between the individual SEAs and national committees or sub-committees, and provide support where possible.

4. *It is suggested that the NTFPs initiate a national level e-forum series of discussions, which parallel the discussions taking place at the regional level<sup>11</sup>.*
5. *It is recommended that the National Technical Focal Points convene a short workshop in the third quarter of the year during which the focal points for each component and sub-component present the results to date. This workshop could also consider recommendations to the National Inter-Ministry Committee, for example regarding the choice of demonstration sites in all sub-components.*

A well prepared national perspective is required as input to the decision making process of site selection at the regional level and where such a position is not presented by the National Technical Focal Point during meetings of the RSTC, then the individual recommendations of the SEAs will have to be used. These recommendations may be seen as carrying less weight than those coming from the level of the National Technical Working Group or the Inter-Ministry Committees. The role of the Inter-Ministry Committee is vital in ensuring that an adequate cross section of the views of line departments and ministries in each government are taken into consideration during the process of project execution. Any suggestions that members might have regarding ways in which this role could be strengthened would be greatly appreciated.

Over the course of 2002 staff of the PCU have participated in Inter-Ministry Committee and National Technical Working Group meetings in three of the seven countries. Such participation has been at the invitation of the governments, and has proven extremely valuable in clarifying issues for a wider audience, in speeding the process of budget revisions, and in sorting and removing problems. Whilst the staff of the PCU, are limited in number thus placing constraints on the level of such participation, it is felt that, the benefits out-weigh the costs, both financial and time related. Other governments may wish to consider issuing such invitations when matters requiring clarification by, or advice from, the PCU are being discussed.

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<sup>11</sup> *The reasons for such a suggestion are obvious and involve language issues, since even if the contributors to the regional level discussions were widened to include all members of the appropriate national committees in each country, many of these members would be unable to contribute in English.*

## Publicity & Public awareness

As members are aware, numerous initiatives are underway within the region that, focus on environmental issues and problems. In order to avoid overlap, duplication and waste of scarce resources it is imperative that the activities of the current project are well publicised and understood at both the regional and national levels and that, appropriate regional and national activities of other organisations and institutions are fully considered when executing actions in the framework of the present project. The first step in enhancing participation from all levels and sectors of society in the work of the project is to ensure appropriate flows of information both regionally and nationally.

Clearly the National Technical Working Group and the Inter-Ministry Committees are the most appropriate vehicles at the national level that are best placed to publicise the project and seek wider engagement of other individuals, institutions and organisations at the national level.

6. *It is suggested that where Focal Ministries or the Specialised Executing Agencies already have web-sites then the focal points ensure the inclusion of a page or pages detailing the activities of the SEAs in each component of the project.*

Where such sites are established they can be linked to the project web-site at <<http://www.unepscs.org>> and *vice versa*. Such links would provide access upwards from the national to the regional and downwards from the regional to the national levels. Where individual Ministries or SEAs do not possess web-sites and would like to establish them for the specific purpose of publicising national activities within the project then assistance can be provided by the PCU. Regardless of whether new sites are established or existing ones used as a vehicle to promote access to information regarding the project, the identity of the Project, the Focal Ministries, the SEAs and other partners need to be clearly recognisable on each site.

The Project website was only established in August 2002 and some aspects of it are still unfortunately under construction, nevertheless the extent of institutions and individuals involved at the national level can already be gauged through, for example, the mangrove pages where the membership of the national committees has already been posted.

7. *It is suggested that, to further enhance the sense of ownership the logos of at least the Focal Ministries be included on the front page of the Project Web-site along-side those of the GEF, UNEP and the project itself. Links can then be established directly to the sites of the Focal Ministries.*

At a later stage in 2003 it is suggested that the logos of the SEAs be included. Whilst the web-site can be used initially as a vehicle for the transmission of information regarding the project itself, the intention of the PCU is to expand the use of the Internet over the course of the next two years and in collaboration with the SEA START RC to develop a GEF water information portal and international waters learning centre. These plans have been approved in principle by the GEF Secretariat and the Steering Committee of the UNDP/GEF Project "International Waters Learn" and the proposal is to designate the South China Sea Project as the Regional Learning Centre for the East Asian region.

8. *It is suggested that the PCU in collaboration with the Core Technical Group of the IW-Learn project and the SEA START RC explore the possibilities of developing a "layered" web-page with components in all languages. The layers in such a site might include the following:*

- Layer 1 – publicly available information possibly with an opportunity for posting events/news relating to environmental issues and problems beyond the project.
- Layer 2 – restricted access technical pages for wide review and comments of the marine science community, including discussion groups focused on issues and topics of concern to the RWG's, and network/roster of "free" translators.
- Layer 3 – restricted access national focal points for each component for exchange of sensitive information, such as progress reports regarding activities in-country.

It should be recognised that, in some countries, limited access to the Internet will reduce its effectiveness, as a means of publicising the goals and activities of the project, amongst members of civil society. In such instances, consideration should be given to alternative means of public awareness raising, using other media including, radio, television and the print media. Countries with well-developed and widespread Internet access, should not ignore such alternatives, but the Focal Ministry in each country should initiate a regular programme of press releases.

Again the PCU can assist through the preparation of clear and concise press releases, but topical and nationally relevant releases are better prepared at the national level.

9. *It is also recommended that in future each regional technical or meeting report produced through the project carries a one page simple, clear and unambiguous Abstract or Executive Summary, suitable for public dissemination and posting on the web page.*
10. *PCU staff, interns and focal points in-country, would be expected to undertake initial courtesy translations, but in the event of such translations not being available at the time of web posting the English version would be accompanied by an invitation to translate for no fee. As an incentive to producing such "free" translations the translators name would be included on the text.*

The Regional Scientific and Technical Committee and the Project Steering Committee, both individually and collectively, can assist in publicising the project through inclusion of references to the project, its activities and outcomes, during appropriate presentations both regional and international. In this regard the PCU is prepared to assist the National Technical Focal Points in the preparation of posters and or displays such as the ones completed for the GEF Assembly<sup>12</sup>.

#### **Mechanisms for securing wider involvement of stakeholders at the national level**

Recognising that governments acting alone will be unable to reverse the environmental degradation trends in the South China Sea,

11. *It is strongly recommended that the SEAs, the National Committees, (or Sub-committees), the NTWG and the Inter-Ministry Committee consider, as a matter of priority in 2003, mechanisms to involve the private sector and civil society in the activities undertaken within the framework of the project, and to report on the outcomes to the next meetings of the RSTC and PSC.*

Funds are already available to the SEAs for the convening of public meetings and for the production of public awareness materials, for translation, and for wide distribution of materials in the countries at large. It is suggested that the PCU may be in a position to assist individual countries with specific aspects of any campaign for stakeholder involvement, including in the production of public awareness materials targeted at school children, fishing and other coastal communities. Already such materials are being produced in individual countries around the region.

12. *It is suggested that materials produced at the national level should be made available electronically to the PCU for lodging on the project web-site. "Free" unofficial translations could then be solicited and subsequently used in other countries where the materials were timely and appropriate.*

Whilst the critical importance of information and awareness materials is undeniable, in ensuring that basic information about the project is made widely available, more substantive involvement of other stakeholder groups will involve providing them with an opportunity to contribute to the planning and management of project activities and to feel that these activities reflect their aspirations and objectives, as well as those of the GEF and the Project.

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<sup>12</sup> Displays publicising the South China Sea Project were exhibited during the GEF Assembly in Beijing and included a main panel in English and a small stand alone display in Chinese.

13. *It is strongly recommended that the opportunities for communities to become involved in activities at the demonstration sites must be defined, outlined and discussed with the stakeholder groups concerned, prior to their being considered as possible demonstration sites.*
14. *Similarly it is recommended that the opportunities for private sector involvement in the demonstration sites be defined, outlined, discussed and agreed by the private sector enterprises concerned, prior to their being considered as possible demonstration sites.*

### **Mechanisms for securing wider involvement of stakeholders at the regional level**

In addition to the possible roles of the RSTC, PSC and PCU in publicising the project at the regional level outlined above, several other initiatives would seem to be appropriate to this goal at this time including:

- Networking and publications.
- Strengthening co-operation and collaboration with other GEF projects in the region; and,
- the Regional Science Conference and Partnership Workshop.

### **Networking and Publications**

Recognising the importance of networking and the raising of public awareness, the Regional Scientific and Technical Committee at its first meeting, requested the PCU to prepare a publications strategy that would provide guidelines on the issue of unofficial translations; and to establish a regional network of marine scientists based on the Association of Southeast Asian Marine Scientists (ASEAMS).

Initial attempts to acquire a copy of the membership list of ASEAMS (which is no longer functioning) have proved fruitless, hence it appears that building a network will have to be done from another base. Any suggestions or recommendations that the Committee might have regarding how this might be achieved would be gratefully accepted. Elsewhere in this document proposals are made concerning increasing engagement of potential and actual stakeholders, but engaging the wider scientific community both regionally and international remains an important consideration. Once the project web site has been linked to more sites of a similar type (it is already linked to the Home Page of the IW-Learn Project) knowledge and awareness regarding the project can be expected to grow quite rapidly, particularly if invitations to participate in activities or to undertake reviews are posted at the web-site.

The issue of translations of abstracts of regional technical and meeting reports has been addressed in part, above and is further elaborated in the attached Appendix 1 entitled Networking, information and publications.

15. *It is proposed that the PCU and SEA's manage, on a trial basis, unofficial translations via volunteers and persons already engaged in project activities with a view to minimising costs.*
16. *It is recommended that the PSC adopt the framework strategic approach to networking, information and publications detailed in Appendix 1 of this document.*

### **Strengthening co-operation and collaboration with other GEF projects in the region;**

Three significant GEF projects are currently on-going in the South China Sea Region, the WorldBank Mekong River Project on water sharing; the UNDP/IMO PEMSEA project focussing on integrated coastal zone management; and the newly approved GEF single country project encompassing biodiversity along the coast of the People's Republic of China, bordering the South China Sea.

Potentially the establishment of strong linkages between the present project and the latter could bring benefits to both projects.

In the case of PEMSEA it is proposed that as the selection process for the demonstration projects in the present project is initiated, stronger collaboration be established with PEMSEA to prevent any issues of overlap or conflict arising and more positively to ensure complementarity and synergy between the two initiatives.

In the case of the Mekong River Project contacts have already been established with the appropriate individuals in the Mekong River Commission regarding possible collaboration, particularly in the area of habitat management in the lower Mekong.

17. *It is recommended that the Project Steering Committee authorise the PCU to continue exploring possible avenues for strengthening collaboration initially with these three projects, and with other projects in the region.*
18. *It is recommended that the National Technical Focal Points seek to strengthen linkages between the activities of the UNEP/GEF project and other relevant projects and activities at the national level.*

### **The Regional Scientific Conference and Partnership Workshop**

The Project Steering Committee approved in 2001 a budget allocation of 150,000 US dollars for support to the organisation and convening of a Regional Scientific and Partnership Conference in 2003. It is proposed that such a conference be convened in December 2003 immediately prior to the fourth meeting of the Regional Scientific and Technical Committee and the third meeting of the Project Steering Committee. It is further suggested that the outcomes of the first two years of work will be presented by the Focal Points from the Specialised Executing Agencies and that the recommendations of the Regional Working Groups regarding the choice of regional demonstration sites, be highlighted. In addition, it is proposed in document UNEP/GEF/SCS/PSC.2/9 that, the Project Co-ordinating Unit convene a partnership conference in conjunction with this Scientific Conference in order to secure external co-financing for the demonstration sites.

19. *It is recommended that the Project Steering Committee authorise the PCU to commence immediate planning for the Regional Scientific Conference and to prepare a draft programme and proposed budget for the Conference, for circulation and consideration by the members of the PSC no later than 28<sup>th</sup> February.*

**Appendix 1**  
**Networking, Information & Publications Strategy**

**Goal:**

- Mobilise support for addressing environmental issues and problems in the South China Sea Region and for the Project.

**Objectives:**

- Publicise the project;
- Publicise the environmental problems of the South China Sea & Gulf of Thailand;
- Encourage sustainable alternatives and best practices.

**Target groups:**

- The Specialised Executing Agencies and participating national organizations *via* a web-based interactive network;
- The wider marine science community in the region *via* an ASEAMS-like organization;
- Decision makers, political and administrative institutions at national & regional levels *via* the IMCs;
- The general public *via* print media, radio and public meetings;
- Community based organizations in and around the demonstration sites *via* print media, and radio involving specifically designed materials, and specific, targeted presentations /workshops;
- National and Regional NGOs *via* involvement in national and regional level activities.

**Modalities:**

- 1. Develop a network of journalists/radio broadcasters in each country and produce simple executive summaries of information for their specific use.**
  - *Each PCU staff member will be expected to undertake interviews during every country visit;*
  - *Journalists to be invited to national and regional meetings;*
  - *Packages of materials to be developed specifically for the media in advance of each meeting, along with the agenda and background documents;*
  - *Meeting participants will be expected to translate the media packages for home use and web posting;*
  - *National Technical Focal Points to establish a contact list of environmental journalists.*
- 2. Develop simple, clear posters in each national language highlighting environmental issues and problems and the project, for dissemination through schools.**
  - *Each National Technical Working Group will, in consultation with the Specialised Executing Agencies identify suitable poster topics illustrating each component and sub-component of the project of high interest in the country;*
  - *Following identification of the topics at the national level these will be collated by the PCU and a consolidated proposal submitted to the members of the PSC concerning the topics to be illustrated;*
  - *The PSC is invited to consider the feasibility of running a regional or national competition(s) amongst school children for selection of the best poster design in each category.*
- 3. Develop simple stickers publicizing the project and environmental problems along the lines of the Regional Seas stickers, which will be attached to the envelopes of all outgoing correspondence from the PCU and supplied in bulk to all SEAs, NTFPs and IMC members for their use.**
  - *The PSC is invited to provide the PCU with ideas concerning the design of such stickers, which at the simplest level could be no more than the project logo with the words South China Sea, in the seven languages of the participating countries;*

- 4. Prepare and distribute throughout the core network minor items of attraction on an annual basis**
  - *Items such as mouse-pads, pens and lapel pins can be produced at comparatively low cost for wide distribution through the National Technical Focal Points and at special events such as the Science Conference and can be used as vehicles to promote awareness of the project.*
- 5. Develop a simple newsletter<sup>13</sup> along the lines of the “Siren” that can be produced cheaply and mailed to all NGOs, and target schools.**
  - *It is proposed that the PCU design and initiate a quarterly newsletter to be mailed in bulk to the National Technical Focal Points and SEAs for wide distribution nationally.*
- 6. Development of clear unambiguous GIS graphics to illustrate the problems that can be widely disseminated via the Home page and website.**
  - *The possibility for development of such graphics should arise around mid-2003 as the GIS database goes on-line in interactive mode.*

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<sup>13</sup> *Initially a technical newsletter for distribution through the ASEAMS network was being proposed. However in the absence of an existing Association this proposal has been temporarily (?) shelved.*

## ANNEX 9

### Work Plan for 2003 for the Project Steering Committee of the UNEP/GEF Project Entitled: *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*

#### Mode of operation of the Project Steering Committee during the inter-sessional period

Rule 16 of the Rules of Procedure concerning the terms of office of the officers of the Project Steering Committee states:

*The Chairperson, Vice-Chairperson and Rapporteur shall hold office until the subsequent meeting of the Project Steering Committee. They shall be eligible for re-election no more than once. None of them may hold office once their membership of the Committee, is terminated, by the country of which they are representative.*

At the present time the committee is scheduled to meet annually to execute its functions as broadly defined in the Project Document, namely:

*The Committee shall be 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 will act as Secretariat of the Committee. During the execution of the project, decisions of the Project Steering Committee will be made through consultation and on the basis of consensus by all participating countries of the project” (Project Brief Paragraph 30).*

There exists therefore no specific guidance concerning the manner in which the committee can “consult” and/or arrive at a consensus on issues during an inter-sessional period.

#### The Project Steering Committee agreed to adopt the following mode of operation.

1. When the views or other specific inputs from members of the Committee are required prior to the PCU acting on any matter, the Project Director will dispatch to all members a short document outlining the issue requiring resolution, making a specific recommendation and requesting responses by a specified date, which shall be no less than 10 working days from the date of dispatch.
2. Members will respond to the Project Director by the due date and the Project Director shall, within 4 working days of that date, consolidate the views and circulate the decision to all members of the committee.
3. Members who do not respond by the due date shall be deemed to have accepted the recommendation contained in the document circulated by the Project Director.
4. Where no consensus emerges and opinions are divided, the Project Director shall consult the Chairperson, Vice-Chairperson and Rapporteur to collectively decide what course of action shall be adopted by, the Project Co-ordinating Unit, until such time as the matter can be presented to a full meeting of the Committee for determination of the consensus position of the committee.

#### Inter-sessional activities

The following issues will arise during the year 2003 inter-sessional period, upon which the Project Steering Committee may wish to make a decision(s) or express an opinion.

1. The criteria for site selection and their application to the choice of demonstration sites
2. The draft strategy on financial sustainability (See document UNEP/GEF/SCS/PSC.2/9) and specifically:
  - Follow-up after the 3<sup>rd</sup> Meeting of the RSTC, with appropriate national authorities, including the Ministries of Environment and Finance to explore the opportunities for establishment of site-specific funds;
  - Evaluate site-specific proposals for new and additional revenue streams that might be tapped at each of the demonstration sites;
  - Prepare a report on these activities and identified opportunities at the national level, including recommendations for consideration by the fourth meeting of the Regional Scientific and Technical Committee and the third meeting of the Project Steering Committee to be held in December 2003.

Table 1 is taken from the meeting report of the Regional Scientific and Technical Committee (document UNEP/GEF/SCS/RSTC. 2/3) and is the final agreed calendar of tasks that must be completed to enable the Project Steering Committee to make decisions regarding the choice of demonstration sites during its third meeting December 21<sup>st</sup> to 23<sup>rd</sup> 2003.

It is vital that, by the time the decisions are taken by the Regional Working Groups and the Regional Scientific and Technical Committee at its third meeting, a consolidated national position regarding priority from the national perspective is determined. Determination of priority at the national level is foreseen as involving the Inter-Ministry Committee as well as the National Technical Working Group since national priorities regarding potential demonstration sites, must reflect overall sectorial development plans for the coastal zone. Consequently it will be necessary for the Inter-Ministry Committees to review, during their first and, or second quarter meetings, the recommendations of the national committees and NTWGs.

During the course of this national level review process, specific issues may arise which the National Focal Points may wish taken into consideration during the deliberations of the third Regional Scientific and Technical Committee meeting. Focal Points are therefore encouraged to transmit the views of their Inter-Ministry Committee to the Project Co-ordinating Unit in order to ensure that they are considered during the appropriate regional meeting.

#### **Schedule of meetings for 2003**

Table 2 presents the draft schedule of meetings as currently agreed by the Regional Working Groups, the Regional Scientific and Technical Committee and the Project Steering Committee.

**Table 1. Agreed Calendar of Deadlines for Tasks of the Regional Working Groups Required to Ensure Selection of Demonstration Sites by the Project Steering Committee in December 2003**

<b>Calendar</b>	<b>Agreed deadlines for the activities</b>
November 2002	
December 2002	<b>RSTC-2 &amp; PSC-2</b>
January 2003	Review of past and ongoing projects
	Review of national data and information
	Review economic valuation data & information
	Review National legislation
	Review National level management regimes
February 2003	Review National Criteria & priorities
	Review threats at site level & initiate preparation of causal chain analyses
	Identify proximate to ultimate causes by source
	National Prioritisation
	Identify priority points of intervention
March 2003	Evaluate barriers and possible solutions
	Regional Criteria development & finalisation
April 2003	Creation of National meta-database
	Identification & characterisation of potential demonstration "sites"
May 2003	<b>RSTC-3</b>
June 2003	Regional GIS database related tasks
July 2003	Quantitative causal chain analysis
August 2003	Preparation of demonstration site proposals
September 2003	
October 2003	
November 2003	
December 2003	Preparation/revision of the National Action Plan
	Finalisation of elements of the SAP
	<b>RSTC-4 &amp; PSC-3</b>
January 2004	
February 2004	
March 2004	

