



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

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English only

**Second Regional Technical Meeting on
Preparation of the Implementation Plan
for the UNDP/GEF Yellow Sea Project**
Ansan, Korea, 3-5 March 2005

Meeting Report

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1 OPENING OF THE MEETING

- 1.1 On behalf of the United Nations Development Programme (UNDP) Korea Office, and the Principle Project Representative (PPR), Ms. Hyun-Shin Lee, the Programme Manager of the UNDP Korea Office, opened the meeting. She welcomed participants from China, Korea, and WWF/KORDI/KEI/YSEPP. Ms. Lee expressed her appreciation to the Korea Ocean Research and Development Institute (KORDI) for its support and assistance with logistical meeting arrangements, the Ministry of Maritime Affairs and Fisheries (MOMAF), and the Ministry of Foreign Affairs and Trade (MOFAT) for their efforts in national level project coordination. She thanked the Project Management Office (PMO) for their efforts in organising the meeting. Ms. Lee thanked the delegations from China and Korea for their national level preparations prior to the meeting.
- 1.2 Ms. Lee reviewed the objectives of the Meeting which were: 1) to review the agreements from the 1st Regional Technical Meeting (RTM); 2) to review the project implementation plan and submit the outcomes and recommendations to the 1st Project Steering Committee Meeting (PSC). She reiterated that the meeting outcomes will be critical for the success of project implementation.

1.1 Welcome Addresses

- 1.1.1 On behalf of the Korean delegation, Mr. Keon Soo Sohn welcomed all participants to Korea. He mentioned that the environmental problems of the Yellow Sea are difficult for a single country to deal with. Therefore, there is need for multi-national co-operation to protect and restore the Yellow Seas ecosystem. The Project will serve as an important forum to reach the solutions.
- 1.1.1 On behalf of the Chinese delegation, Mr. Wenxi Zhu stated that he was honoured to be invited to the meeting. Mr. Zhu thanked the PMO for their efforts in organising the meeting. He expressed appreciation to the Government of Korea and KORDI for hosting the meeting. Mr. Zhu stated that at the 1st Regional Technical Meeting, the spirit of co-operation allowed the implementation plan to be further developed and streamlined to achieve project objectives. The successful implementation of this project can be used as a model in other regions to protect their seas in a co-operative way.
- 1.1.2 Mr. Andrew Menz from United Nations Office for Project Services (UNOPS) expressed his pleasure in the project's progress. He described the role of UNOPS as executing agency, that is, to provide administrative and financial support to ensure the project's smooth implementation. UNOPS will assist in bringing the successful lessons learned from other Global Environment Facility International Waters (GEF IW) projects to the Yellow Sea Large Marine Ecosystem Project (YSLME) to ensure its smooth operation. He was confident that the support of the project participants and the PMO team will result in successful project implementation.

1.2 Introduction of the Members

Participants introduced themselves, with a brief statement on their backgrounds and functions in the project. The list of participants is provided as Annex 1 to this report.

2 ORGANISATION OF THE MEETING

2.1 Election of Officers

- 2.1.1 Mr. Wenxi Zhu from China nominated Mr. Hyung Tack Huh from Korea to be the chairperson, based on Mr. Huh's expertise and long experience in marine science in the region. Mr. Dong-Sik Woo seconded the nomination, and Mr. Huh was duly elected as the Chairperson.
- 2.1.2 Mr. Dong-Sik Woo from Korea nominated Mr. Mingyuan Zhu from China to be the Vice Chairperson. The participants agreed with the nomination, and Mr. Mingyuan Zhu was duly elected as the Vice Chairperson.

2.2 Documentation Available to the Meeting

- 2.2.1 The Chairperson invited Mr. Yihang Jiang, Project Manager, to introduce the working documents of the meeting. Mr. Jiang mentioned that the documents were prepared based on the 1st RTM discussions and outcomes, and the approved project document.

2.3 Organisation of Work

- 2.3.1 Mr. Jiang described the method of work for the meeting, and logistic information. It was agreed that, due to the nature of the agenda items to be discussed, the meeting would be organised in plenary as far as possible. Sessional working groups would be formed to if needed.
- 2.3.2 The meeting was conducted in English.

3 ADOPTION OF THE MEETING AGENDA

- 3.1 Mr. Wenxi Zhu asked for clarification on agenda item 4.6, national and regional co-ordination of the project. Mr Jiang explained that this agenda item was included because many GEF projects enhance national co-ordination and co-operative mechanisms. In order to prepare the Transboundary Diagnostic Analysis (TDA), Strategic Action Programme (SAP), and National Yellow Sea Action Plans (NYSAPs), there is a need for multi-ministry co-operation and co-ordination. Therefore, the meeting should discuss how this is being done in each country.
- 3.2 Mr. Sung Kwon Soh asked if the proposed working programme is flexible because more time may be needed to discuss the implementation plan. Mr. Jiang clarified that the working programme was indeed flexible. However, due to the fact that extensive discussion may be required for certain agenda items, he encouraged the participants to focus on the most effective means to proceed with the meeting.
- 3.3 The agenda was adopted, following the explanations above, and is attached as Annex 2 to this report.

4 CONSIDERATION & FINALISATION OF THE PROJECT IMPLEMENTATION PLAN

4.1 Review the Agreements From the First Technical Meeting

4.1.1 Mr. Jiang reviewed the agreements from the 1st Technical Meeting, and actions that needed to be taken, as listed in Table 1 below.

Table 1. List of Agreements from 1st Regional Technical Meeting and Actions to be Taken.

<u>Agreement</u>	<u>Action</u>
1. Involve Democratic People's Republic of Korea (DPRK) in the project	1. Project Manager is planning a trip to DPRK this year, to discuss the project
2. Identify appropriate candidates for the position of environment economist - someone who can perform resource valuation for SAP	2. Countries have received the job advertisement, and were asked to circulate it
3. Terms of reference (TOR) for the PSC need to include more emphasis on its management functions	3. The PMO has revised the TORs.
4. Revise project structure to better reflect the relationships between the partners of the Project	4. PMO revised the diagram and will submit it to the PSC as part of the project implementation plan
5. Need to strengthen institutional capacity; more resources are needed for institution contracts	5. Included in revised project budget
6. Need for better co-operation with other regional projects/programmes in data/information management, such as how to share and link information	6. Invitations were sent; PMO will follow up to co-ordinate efforts
7. There is a lack of up-to-date basin scale surveys. 1 st RTM felt a need to survey another 3 years for entire Yellow Sea. There is a need to identify co-financing sources from the countries.	7. Included in draft implementation plan and budget
8. Co-operate with World Wide Fund for Nature (WWF) and Wetlands International	8. Both organisations were invited to join project. Memorandum of Understanding (MOU) between YSLME and YSEPP will be signed during PSC meeting
9. Partners gave certain authorization to PMO to revise implementation plan to meet objectives of project, focusing on priority list of actions that balance management and research issues	9. Done with consultation of experts; included in implementation plan

10. Discuss intern programme again at 2 nd RTM	10. Document prepared and included in agenda of 2 nd RTM
11. Discuss sequence of activities to prepare TDA	11. Available as meeting document and included in draft implementation plan
12. Maintain or increase, but do not decrease government agreed amounts of co-financing	12. National efforts were secured

- 4.1.2 Based on the issues listed above, Mr. Jiang reiterated that the Meeting should reach agreement on: 1) the list of priority activities; and 2) all pending issues from the 1st meeting including: the intern programme, preparation of the draft TDA, and the National Project Co-ordinator.
- 4.1.3 During the ensuing discussions, Mr. Yuan Yeli mentioned that the Northeast Asian Regional Global Ocean Observing System (NEAR-GOOS) has only limited parameters in the system, in particular for the Yellow Sea area. Mr. Jiang informed the meeting that while NEAR-GOOS data is limited, it provides a good mechanism for openly sharing oceanographic data. The Meeting should decide how to establish a database and mechanisms for the Project that co-ordinate the exchange of information with existing databases.
- 4.1.4 Mr. Mingyuan Zhu suggested that including DPRK in the project could be achieved through UNDP Office in DPRK. He asked if the UNDP/GEF Medium Sized Project on biodiversity had been approved, as it could complement the Project. As the information was not available at the meeting, the PMO will find the information and, circulate to the participants.
- 4.1.5 Mr. Suam Kim requested a copy of Mr. Jiang's presentation. The Secretariat provided it to the participants.
- 4.1.6 Mr. Sung Kwon Soh asked at what level the 1st RTM agreements were reached, and could they be re-visited, particularly agreement number 7 (the need for additional basin-wide surveys in the Yellow Sea). The Chairperson clarified that these agreements were decided at the 1st meeting, but the 2nd meeting is a "continuation" of the 1st meeting. Mr. Jiang explained that all agreements have to be submitted to the PSC for approval. At that point, the Meeting agreed to wait until the project budget is discussed to see how best to achieve the agreements.
- 4.1.7 Mr. Soh then asked what is the PMO's plan to involve DPRK in the Project. Mr. Jiang explained that the PMO had no concrete plan yet, but has already developed the steps to take. Mr. Jiang stated that it was important to first establish necessary communication channels, and then build the trust. Both sides need to have a mutual understand at the onset, and then proceed with capacity building of DPRK. Should DPRK agree to join the Project, the Project resources would have to be shared from the initial stages, and then obtain additional funding from other sources.

4.2 Revised Project Activities & Priorities

4.2.1 Intern programme

4.2.1.1 Mr. Jiang presented the objectives, selection process, and financial arrangements of the intern programme, as presented in Document UNDP/GEF/YS/RSTP.2/6, that has been implemented in other GEF IW Projects. The programme targets young scientists and government officers. Mr. Jiang explained that the PMO will prepare a six month workplan for each intern, and provide guidance for all interns working at the PMO.

4.2.1.2 Mr. Woo asked that given the budget as presented, how many trainees would be selected. Mr. Jiang explained that this would depend on the work load and available offices facilities of the PMO. On average, there will be two interns per year. Mr. Jiang emphasised that the presented budget for interns and the entire Project is an indicative budget. The budget must be revisited each year, and very likely to be revised, but not drastically.

4.2.1.3 Mr. Menz asked if external sources of funding for interns are available. Mr Jiang replied as the project would only provide some subsistence allowance to the intern, each government would provide some additional support.

4.2.1.4 Mr. Soh asked if the intern programme is a general UN intern programme or a programme under the Yellow Sea Project. Mr. Jiang replied that it is a programme under the YSLME, but operates under UN rules. Through the programme, interns will learn about the YSLME Project as well as UN project implementation methods. In the short-term, the intern will assist with YSLME Project implementation. In the long-term, the intern will be able to assist with national-level implementation of the project, as well as with regional and international projects.

4.2.1.5 Mr. Wenxi Zhu stated that the intern programme is common in other international projects and inter-government agencies, and has shown positive results in better communication and understanding for all project and programme partners. Mr. Zhu emphasised the need for stakeholder involvement in the Project. While the Project budget has been reduced to lessen the amount allocated for personnel, the intern programme is still an important aspect for capacity building, and should be included in the Project.

4.2.1.6 Mr. Suam Kim stated his support for the intern programme. However, he pointed out that the success of the programme will depend on the candidates for the programme. Mr. Kim pointed out that it is not easy to select candidates. He suggested that all candidates need to have a strong command of the English language.

4.2.1.7 Mr. Woo reiterated his support for the programme, due to the benefits it would provide to the Project and countries.

4.2.1.8 The meeting agreed with the proposed intern programme presented by the PMO.

4.2.2 Preparation of the draft TDA

4.2.1.9 Mr. Jiang gave an overview of the process to prepare the TDA/SAP (Document UNDP/GEF/YS/RSTP.2/5), which is a common requirement for current GEF IW projects. Mr. Jiang presented the objectives and steps to develop the TDA, and explained how the TDA serves as a base to prepare the SAP. The TDA will require input from natural and social scientists, economists, and legal experts.

- 4.2.1.10 Mr. Jiang briefly explained the process of preparing the TDA, including the steps to gather information, the problems to address, the information needed to support the identified problem, and the comprehensive analyses required across all Regional Working Groups (RWG) to prepare the draft TDA.
- 4.2.1.11 Mr. Jiang then explained the purpose of the SAP that would include the actions to take, agreed regional targets for each problem, costs for the proposed actions, and benefits from these actions. Mr. Jiang emphasised that the SAP needs to be approved by all participating countries. Demonstration activities will be implemented to indicate the usefulness of the SAP, and how best to implement the SAP to benefit the countries.
- 4.2.1.12 Mr. Wenxi Zhu asked for clarification on the term “consultant,” namely, was the consultant contracted to the countries or for the PMO? Mr. Menz clarified that the TDA is produced by the countries, but perhaps an experienced facilitator would be needed to sift national information and compile the final document.
- 4.2.1.13 Mr. Jiang explained that the Regional Working Groups and national experts are responsible to identify the type and format of required information. The national institutes would provide information for the RWGs to discuss. When the information is adequate, all RWGs will present the data to the “consultant” to compile into the final draft TDA. The draft will be reviewed by all countries, under the PMO’s facilitation.
- 4.2.1.14 Ms. Hyun-Shin Lee reminded the Meeting that the 1st RTM did not agree whether the TDA would be written by an external consultant or the PMO.
- 4.2.1.15 Mr. Sinjae Yoo requested clarification from the PMO on the relationships between the various partners in preparing the TDA. He suggested that the Regional Science and Technical Panel (RSTP), when formed, should oversee the TDA preparation, as the RWG has a limited working scope.
- 4.2.1.16 Mr. Woo mentioned that the TDA process is a new concept for most participants, and that it would be beneficial to the participating countries if a training course would be organised on training in TDA/SAP preparation. Mr. Jiang informed the Meeting that the PMO will receive a training CD on the TDA/SAP process, and is considering to organise a training workshop in co-operation with UNDP/GEF.
- 4.2.1.17 Following the clarifications provided by the PMO, the Meeting realised that the preparation of the TDA is an important task for project implementation, and agreed that an experienced consultant would be engaged to prepare the draft TDA.

4.2.3 National Project Co-ordinator

- 4.2.3.1 Mr. Jiang reminded the Meeting that following the request from the 1st RTM, the PMO revised the TOR for the National Project Co-ordinator (NPC), in consultation with relevant government agencies in each country. The outstanding issues were: 1) Korea wishes to increase the budget for the NPC; and 2) use of a portion of the co-financing budget to cover NPC costs. Recognising the different management systems in the participating countries, Mr. Jiang mentioned that each country may take different approaches to appoint the NPC, but must keep in mind that the NPC:

- should be someone that understands the marine environment and international co-operation;
- should be someone who is able to nationally co-ordinate institutes, local governments, and NGOs;
- has the authority to make management decisions; and
- preferably should be available for a significant portion of the Project.

4.2.3.2 During the subsequent discussion, Mr. Woo stated that it would be difficult for a Korean government officer to take on this position due to the revolving nature of their positions. With a substantial increase of co-financing resources from Korean government to the project activities, he requested the meeting to consider increasing the budget allocation to the NPC.

4.2.3.3 Mr. Wenxi Zhu stated that if the NPC budget is increased, then the activity budget will have to be reduced, which might impact the results of the Project. However, China will positively consider Korea's position. Mr. Zhu also suggested this issue should be further discussed during Agenda 4.3 with the budget. The Meeting agreed with the suggestion.

4.3 Consideration of the Project Budget

4.3.1 Mr. Jiang introduced the revised project budget that was prepared based on the outcomes of 1st RTM, where a priority list of activities was prepared and agreed by the participants. The revised budget was not prepared based on pending issues from the 1st RTM: the intern programme, the NPC, and the preparation of TDA.

4.3.2 Mr. Menz mentioned that it was important to view the Project budget as work in progress. At this point, it is difficult to know the specific activities, and not necessary to get into detail. At a later stage, costed proposals will be prepared before activity implementation. Mr. Menz suggested that, at this moment, the Meeting should focus on whether the distribution of funds across components is fair and sufficient.

4.3.3 Participants had numerous questions about the budget that touched upon many different issues.

4.3.4 Mr. Xianshi Jin asked for details on the specific changes from the old budget. Mr. Jiang explained that that budget was reallocated from low priority activities to high priority based on the agreements from the 1st RTM.

4.3.5 Mr. Sinjae Yoo asked for clarification on institutional vs. consultant contracts, and received the answer from Mr. Jiang.

4.3.6 The Chairperson asked who would make the decision on issuing contracts. Mr. Menz explained that UNDP/UNOPS bidding procedures would be used to proceed in a transparent and fair manner, and to get the best value for money when implementing the activities. However, there is flexibility in the system regarding contracting of entities, and due regard is given to the wishes of all parties for allocation of work.

4.3.7 The Chairperson mentioned that Korea had already delegated certain institutions for specific project components, and UNDP should respect the national decision, as each country knows their own available resources and capabilities. Mr. Wenxi Zhu explained that China also had identified institutions for each activity.

4.3.8 Mr. Menz further explained the principle and rationale behind the selection process is to show the donor that it was an open process, and the allocation of work took into account all available and most appropriate resources.

4.3.9 Mr. Jiang explained that the SAP implementation is the Project's final goal. For the SAP to be successfully implemented, it is necessary for all levels of stakeholders to feel they were a part of the development, and recognise their ownership. Mr. Jiang further explained that the rule for selecting contracts cannot be changed, and all partners should work together within the rules to implement the project in the best possible way.

4.3.10 Extensive discussion was carried out on the budget. The main points included:

- There was a general feeling of the participants that the project covers a very wide range of environmental problems, but the budget allocated to activities was not enough to implement all the activities indicated in the Project Document;
- It was recognised that in order to fill the knowledge gaps to prepare a robust, scientifically-based TDA, there is a need to carry out surveys in the Yellow Sea area, in particular, a basin-scale survey. Due to economic changes since the budget was prepared during the PDF-B phase, there is currently not enough funds to carry out the same number of surveys. There is a need to consider reducing the number of surveys if no additional financial support is provided;
- Some participants suggested that in order to get a realistic estimation of the costs of the project activities, there is a need to come up with a commonly accepted method and figures for further consideration of the project activities. In the meantime, some participants felt that the calculation should be done based on a regionally agreed criteria, considering different procedures of project development and management in the participating countries; and
- Some participants felt that the priority list prepared and agreed by the 1st Regional Technical Meeting needs to be adjusted based on further considerations of the project activities.

4.3.11 In order to have more effective discussions on this important issue, the Meeting decided to break into component working groups to discuss each group's budget requirements.

4.3.12 Upon return to the plenary session, the Chairpersons of the component working groups reported their group's discussion results. The main points from the reports included:

- Considering the budget limitation and increased price of operation of research vessels, there is a need to reduce the number of cruises from the originally planned 6 cruises to 2-3, depending on the parameters to be surveyed on these cruises. It will be necessary to have a planning meeting for the cruises, as there will be several project components sharing the ship times;
- It was reiterated that it was necessary to have a regional criteria to estimate the costs of the project activities. The meeting also felt that detailed activity lists for each project component should be prepared by the regional working groups, taking into account the requirements for preparing TDA; and

- With the understanding that the data and information prepared by all project components need to be shared with each other, the data and information management of the project became an important issue. There is a need to define an effective data and information management scheme, taking into account the existing marine environment data and information exchange system in the region.
- 4.3.13 The Chairperson invited the Project Manager to address the comments and questions from the groups. Mr. Jiang expressed his understanding on the general feeling of the groups that there are limits in the financial resources of the working groups. Indeed, the Project covers a wide range of activities to address the environment problems in the Yellow Sea. In order to find a better solution for this problem, at the 1st RTM, participants prioritised the activities. Mr. Jiang felt that the Project is not yet clear on the detailed activities required to meet the TDA. These will become clearer after the first round of the Regional Working Group meetings.
- 4.3.14 The meeting extensively discussed the questions raised from the working groups on the budget, and felt that a certain level of flexibility in planning the detailed project activities and associated budget was needed.
- 4.3.15 The Project Manger proposed that in order to get a clear picture on the project activities and associated budget, the following actions need to be taken by the Regional Working Groups at their first meeting:
- Identify the requirements for preparation of TDA from each component;
 - Prepare a list of necessary activities to meet the requirements identified;
 - Check availabilities of existing data and information from the participating countries on the activity list, and produce a short list of actions;
 - Estimate the costs of each activity, based on the criteria to be prepared by the PMO, and generate the total cost of the proposed activities; and
 - Based on the available budget of the project and co-financing resources, adjust the list of actions.
- 4.3.16 The Project Manger further indicated that approving the current budget proposal does not mean commitment on the detailed activities. The final implementation will be based on the agreed activities from the Regional Working Group Meeting's outcomes.
- 4.3.17 Mr. Menz explained that the Project is an evolving process. The PSC to be held next week will focus on the direction of the Project progress, not the minute details of how to get there. The Meeting should not be overly concerned on the activity and budget details suggested, but the general direction in how to achieve Project objectives. Mr. Menz encouraged the Meeting to review the TDA/SAP process to help maintain focus on the direction where the Project is headed.
- 4.3.18 With the explanation from the Project Manager and Mr. Menz, the Meeting agreed that the current budget proposed by the Project Management Office, showing the agreed changes, should be recommended to the Project Steering Committee for consideration and approval.

4.4 Consideration of the National Co-financing Commitments

- 4.4.1 Mr. Jiang drew the attention of the Meeting to the document prepared by the PMO on the GEF guidelines to identify co-financing from countries. Mr. Jiang reminded the Meeting that the 1st RTM agreed to maintain or increase each country's co-financing commitments.
- 4.4.2 Mr. Jiang also mentioned the Yellow Sea Eco-region Project will be a good example of co-operation which provides its knowledge on biodiversity in the Yellow Sea. A Memorandum of Understanding between YSEPP and YSLME will be signed at the 1st PSC Meeting.
- 4.4.3 Mr. Menz gave his observation that the Meeting should not get too focused on the dollar amounts of co-financing, as they are in-kind contributions. Instead, the Meeting should focus on the various resources the countries can contribute to the Project to achieve the objectives.
- 4.4.4 The Chairperson invited each country to present their co-financing commitments. Mr. Woo presented Korea's co-financing amount, showing a total of USD 6,216,992, including support for PMO office space at KORDI (USD 62,000). Mr. Wenxi Zhu expressed his appreciation for Korea's increase of co-financing to the Project.
- 4.4.5 Mr. Jiang commented that Korea's co-financing calculation is largely activity-based, and asked that when the first round of RWG Meetings are held, can the RWGs discuss their activities and co-financing budget. Mr. Woo replied that the RWGs could discuss the activities, and co-financing could be adjusted to the needs of the activities.
- 4.4.6 Mr. Wenxi Zhu presented China's co-financing commitments which were recalculated according to similar categories as listed in the Project Document. There is now a slight increase due to the change in exchange rate between Chinese Yuan and the US Dollar. The total co-financing is now USD 6,931,923.
- 4.4.7 Mr. Jiang asked for clarification in the percentages listed in China's table. Mr. Jin explained that the percentages are the amounts (portions) of the existing projects in China that can contribute to the Project.
- 4.4.8 Mr. Jiang also commented on the category, "field observations," and asked whether these national efforts could be co-ordinated with field surveys under the Project's activities. Mr. Yuan expressed his wish to co-ordinate the cruises with the project activities when they are agreed by the regional working groups and the Regional Scientific and Technical Panel. Mr. Quan Wen commented that the monitoring results will be shared with the Project.
- 4.4.9 Mr. Tobai introduced three activities that the Biodiversity Group should consider to implement jointly with the YSLME:
- Habitat refining - which will require more money, but co-financing is available;
 - Review of conservation areas - also requires additional support in order to review MPAs; and
 - Contributions from RWG members in the preparation of the SAP - would also require additional funds, to provide a sense of ownership by the contributors.

All together, an additional USD 40,000 to the biodiversity budget is required.

- 4.4.10 Mr. Hong-Rhyong Yoo commented that his institute, China-Korea Joint Ocean Research Center (CKJORC), will proceed accordingly, so that the proposed co-operative project and cruise may be approved by the Joint Committee Meeting of Co-operative Ocean Research between Korea and China.
- 4.4.11 Mr. Sinjae Yoo suggested it would be appropriate for the project to evaluate whether the co-financing resources provided by the participating countries are actually translated into concrete contributions to the TDA/SAP of the project.
- 4.4.12 Mr. Jiang suggested that there are several existing projects, and asked the countries to consider providing summaries of the existing projects to the PMO so that the PMO can co-ordinate those with the Project. Each project has its own agenda, and there is some difficulty in co-ordinating all the relevant projects without some basic information. Mr. Jiang also mentioned that the use of existing co-financing resources requires strong national co-ordination. Although this might require additional efforts from each country, it would be an advantage to the Project, as well as to the national level.
- 4.4.13 Mr. Woo reiterated that Korea can contribute additional co-financing from national projects that was not shown in the table.
- 4.4.14 Mr. Hee-Dong Jeong suggested that the PMO visualise these contributions in how they may be used in project implementation. He also suggested that perhaps a standard format was needed to illustrate co-financing contributions.
- 4.4.15 Mr. Wenxi Zhu commented that the format prepared by China is based on the format in the Project Document. When this information is given to the RWGs, they may need to view it in a common format, but it should not be a serious problem.
- 4.4.16 The co-financing commitments from China and Korea are attached as Annex 3 to this report.
- 4.4.17 Mr. Jiang then presented the PMO's proposed coefficient for calculating co-financing. He explained that this coefficient was presented to the Meeting because of questions received by the PMO on how to figure national contributions.
- 4.4.18 Participants felt that, due to differing socio-economic conditions in each country, it was difficult for each country to use a standard calculation method. After some discussion, the Meeting agreed that the coefficient was not necessary.
- 4.4.19 The Chairperson invited Mr. Sadayosi Tobai to present YSEPP's proposal for co-operation and co-financing through the Yellow Sea Eco-region Project. Mr. Tobai gave a brief overview of the project, explaining the project objectives, that is, to achieve conservation and sustainable use of marine and coastal biodiversity of the Yellow Sea. The project is being implemented by WWF-Japan, WWF-China, Korea Environment Institute, and KORDI, and WWF would like to co-operate with YSLME.
- 4.4.20 The project in its 2nd phase (2006 – 2009) will demonstrate biodiversity conservation actions for a transboundary network of marine protected areas (MPA) and address transboundary issues. YSEPP has done an assessment of a suite of different taxonomic groups, habitat types, and vulnerable species. This information is translated into a GIS map to illustrate the distribution of critical habitats. The databases of YSEPP will provide information to the Yellow Sea Project.

- 4.4.21 The proposed activities to be implemented with the Yellow Sea Project are: joint analyses for prioritisation of habitats with transboundary importance, joint working groups to identify knowledge gaps, and joint fact finding for governance analysis in preparing the TDA.
- 4.4.22 Mr. Tobai then showed the co-financing from YSEPP's project. He proposed a co-operative implementation and work plan for 2005, such as a joint workshop with the RWG-B, joint review for habitat conservation and vulnerable species assessment, and review of MPAs with China and Korea.
- 4.4.23 Mr. Tobai concluded by informing the Meeting that an MOU to form the "Yellow Sea Regional Partnership" for effective co-operation in the conservation of marine and coastal environment and sustainable use of marine and coastal resources of the Yellow Sea was prepared and would be signed by the YSEPP Co-ordinator, the PMO, UNDP and WWF International during the 1st PSC Meeting. This MOU states the agreements to share data, exchange information, and workplan and activity schedules to reduce the costs and redundancy, and to maximise the use of resources to co-sponsor mutual activities. The outcomes of the YSEPP Project will be used to develop the TDA, contribute to SAP, and national Yellow Sea Action Plans (NYSAP).
- 4.4.24 Mr. Jiang expressed his appreciation for Mr. Tobai's presentation and commented that this was a good example of regional co-operation. Furthermore, WWF has already produced public awareness materials for the Yellow Sea that will be shared with the YSLME Project.

4.5 Workplan and Timetable for Project Implementation

- 4.5.1 Mr. Jiang introduced the proposed workplan and timetable. He reiterated that the original plan was to prepare the TDA/ SAP in three years. Understanding that the preparation of TDA and SAP will take longer time, the 1st RTM agreed to extend the TDA/SAP process to 4 years. Thus, the sequence of actions was shifted slightly to firstly prepare TDA, secondly prepare SAP, thirdly prepare NYSAP, and finally implement demonstration activities.
- 4.5.2 In addition, Mr. Jiang mentioned that the PMO had slightly shifted part of the workplan schedule to coincide with YSEPP's plan, namely the Biodiversity Vision Workshop. Mr. Jiang presented and explained the proposed 2005 Project meeting schedule.
- 4.5.3 Mr. Sinjae Yoo asked whether the 1st RSTP could meet before the first round of RWGs to co-ordinate all 5 component's activities. Mr. Jiang replied that while he agreed with the rationale of the suggestion, he felt that after the first round of RWG meetings, the RSTP could review the activities identified by all RWGs. In addition, the RSTP consists of chairpersons from each RWG, and this information was not yet available from the countries.
- 4.5.4 Mr. Wen suggested that the RWG-F should come up with a plan to arrange ship time for the field survey.
- 4.5.5 Based on the discussions, the 2005 meeting schedule was modified, and is attached as Annex 4 to this report.

4.6 National and Regional Co-ordination of Project Implementation

- 4.6.1 Mr. Jiang explained that in order to better achieve the objectives of the project, national co-ordination is an important element, in particular, for the preparation and implementation of the Strategic Action Programme. Therefore, the Inter-ministry committee will play an important role in this regard. He commented that improvement of national co-ordination will not only provide benefits to the project, but also provide useful mechanisms when the project is completed. The sustainable benefits need to be considered from the start of the Project.
- 4.6.2 Dr. Yuan suggested that the China-Korea Joint Ocean Research Centre (CKJORC) in Qingdao has played important role in promoting co-operation between China and Korea in the field of marine scientific research. Involvement of CKJORC will benefit all partners in the project, and will assist in the successful implementation of the project activities.
- 4.6.3 Mr. Jiang said that while co-operating directly with select institutes may be beneficial to the Project, the partners should keep in mind that this is a regional project. In order to get all coastal countries involved in the project, it is critical to maintain regional co-operation.
- 4.6.4 Mr. Woo stated that Korea recognised the importance and usefulness of the involvement of other partners such as CKJORC into the Regional Science and Technology Panel.
- 4.6.5 Mr. Menz asked for clarification on the co-financing and co-operation from the US National Oceanic and Atmospheric Administration (NOAA). The PMO's current information was that at the time of project development, NOAA wanted to provide their facilities to train scientists in remote sensing. NOAA will be able to confirm this at the 1st PSC Meeting. The Chairperson mentioned that NOAA contributed to the PDF-B phase of the Project.
- 4.6.6 The meeting formed a sessional working group, composed the members of China and Korea with assistance of the Project Manager, to discuss the issue of the National Project Co-ordinator.
- 4.6.7 The sessional working group reported to the plenary session on the agreements reached in their working groups. Considering the different management and co-ordinating mechanisms in both countries, the national co-ordination will be different. The sessional working group suggested to modify the relevant parts of the project budget, to reflect the new arrangements under this project.
- 4.6.8 The meeting reviewed the suggestions made by the sessional working groups, and agreed on the suggestions. The agreements were reflected in the Project budget.

5 RECOMMENDATIONS TO THE FIRST MEETING OF THE PROJECT STEERING COMMITTEE

- 5.1 Mr. Jiang presented the recommendations from the Meeting to the 1st PSC Meeting. The recommendations were reviewed, modified and agreed by the Meeting, and it is attached to this report as Annex 5.

6 OTHER BUSINESS

- 6.1 Mr. Won Jang reiterated the importance of inviting DPRK to join the project. He gave his sincere thanks to the Project Manager for the PMO's proposed efforts to visit DPRK later this year. Considering the importance of DPRK in joining the Project, it was suggested to formulate the strategy for involving DPRK more systematically and to include this issue in the provisional agenda of the 2nd meeting of the Project Steering Committee.
- 6.2 Mr. Wenxi Zhu stated that China welcomes DPRK to participate in the Project, and agreed that a well co-ordinated plan of action should be prepared by the PMO.
- 6.3 Mr. Jiang stated that the PMO considered the potential way to include DPRK into the Project. However, considering the current situation in the country, it will take extended time and substantive efforts. If this issue could be considered systematically within the project framework, it will increase the possibility of the success.
- 6.4 Mr. Sinjae Yoo mentioned that there is a co-financing project for ecosystem monitoring through a ship of opportunities which will start this year and continue until the end of the Project. This activity was added to the workplan.
- 6.5 Mr. Menz mentioned that the Project Document mentions NOAA's support to the Project. This will be confirmed during the PSC Meeting when a NOAA representative will be present.
- 6.6 Mr. Jiang asked both countries to quickly nominate members for each RWG, as the first round of meetings will take place soon. Mr. Wenxi Zhu stated that although China had a preliminary list of nominees, they would like to include members from a wider range of institutions and are revising the list.
- 6.7 Although the project document lists four members per group, some participants felt that this was too few persons to get the work done. Each country had a brief meeting to discuss how many members each RWG should have.
- 6.8 On behalf of Korea, Mr. Woo requested a decrease in the number of RWG members in order to allocate more money for activities. Mr. Woo suggested two experts per working group, plus one social scientist, from each country, and requested the TOR be revised to reflect this.
- 6.9 On behalf of China, Mr. Wenxi Zhu stated that as this is the first year of project implementation, it is important for the RWGs to draft a good workplan. In order to reflect a comprehensive view of the work to be done, four experts per RWG are needed.
- 6.10 Mr. Jiang suggested a compromise of three members per country per RWG, plus 1 chairman, totalling seven members per RWG. Although this suggestion was accepted by the participants, Mr. Woo suggested that the 2nd PSC Meeting should review this issue.

7 ADOPTION OF THE MEETING REPORT

- 7.1 The Chairperson led the discussion of the draft meeting report prepared by the Secretariat. The draft report was discussed, amended and adopted by the Meeting.

8 CLOSURE OF THE MEETING

- 8.1 On behalf of UNDP, Ms. Hyun-shin Lee congratulated the Meeting on finalising the Implementation Plan. She thanked KORDI for the logistic arrangements of the Meeting, and thanked the PMO and UNOPS for organising the Meeting. Ms. Lee also thanked the Chairperson for his efforts in running a smooth meeting.
- 8.2 On behalf of the Chinese delegation, Mr. Wenxi Zhu thanked the Chairperson for chairing an efficient meeting. Mr. Menz was thanked for his foresight and advice to minimise conflict between the partners. Mr. Zhu thanked Mr. Jiang and his staff for their efforts in organising the Meeting, and preparing comprehensive documents in a timely manner. All participants were thanked for their contributions that resulted in a successful meeting.
- 8.3 On behalf of the Korean delegation, Mr. Dong-sik Woo expressed his appreciation to the Chairperson for chairing the Meeting. Mr. Woo thanked the Chinese delegation for their co-operative spirit in project implementation. The PMO was thanked for organising and facilitating the meeting.
- 8.4 The Chairperson thanked all participants for their hard work during the Meeting. The Chairperson expressed his personal appreciation to the Project Manager and PMO staff for organising the meeting.
- 8.5 The meeting was closed at 1400 hours, on 5th March 2005.

Annex I

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Annex II

Agenda

1. OPENING OF THE MEETING
 - 1.1 Welcome addresses
 - 1.2 Introduction of the members
2. ORGANISATION OF THE MEETING
 - 2.1 Election of Officers
 - 2.2 Documentation Available to the Meeting
 - 2.3 Organisation of Work
3. ADOPTION OF THE MEETING AGENDA
4. CONSIDERATION & FINALISATION OF THE PROJECT IMPLEMENTATION PLAN
 - 4.1 Review the Agreements from the First Technical Meeting
 - 4.2 Revised Project Activities & Priorities
 - 4.3 Consideration of the Project Budget
 - 4.4 Consideration of the National Co-financing Commitments
 - 4.5 Workplan and Timetable for Project Implementation
 - 4.6 National and Regional Co-ordination of Project Implementation
5. RECOMMENDATIONS TO THE FIRST MEETING OF THE PROJECT STEERING COMMITTEE
6. OTHER BUSINESS
7. ADOPTION OF THE MEETING REPORT
8. CLOSURE OF THE MEETING

Co-financing of the Chinese government for the YSLME project

In the approved YSLME project document, the government of the People's Republic of China has made a commitment of 6,566,465USD in co-financing in supporting the implementation of the project activities.

Due to the delay in implementing the project activities for about 4 years, the situations have been changed in some aspects. Therefore, there is a need to review the commitments and to consider re-allocation of the co-financing resources as necessary.

With consideration of the current social economic conditions in China and the regional "Standard" coefficient, the Chinese government made deemed adjustment and re-allocated its co-financing contribution (6,931,923USD in total) as follows:

		RMB						USD					
		Yr1	Yr2	Yr3	Yr4	Yr5	Total	Yr1	Yr2	Yr3	Yr4	Yr5	Total
Staff salary	Scientists	750000	1200000	1200000	1200000	1200000	5550000	90689.238	145102.8	145102.8	145102.8	145102.8	671100.4
	Technicians	325000	625000	625000	625000	625000	2825000	39298.67	75574.37	75574.37	75574.37	75574.37	341596.1
RV Depreciation		1400000	1400000				2800000	169286.58	169286.6	0	0	0	338573.2
Survey equipments	CTD (60%)	21000	21000				42000	2539.2987	2539.299	0	0	0	5078.597
	Acoustics (60%)	30000	30000				60000	3627.5695	3627.57	0	0	0	7255.139
	Trawls et al	2000000					2000000	241837.97	0	0	0	0	241838
	Spare parts	200000	200000				400000	24183.797	24183.8	0	0	0	48367.59
Services	Lab analysis and experiment	700000	900000	900000	800000	400000	3700000	84643.289	108827.1	108827.1	96735.19	48367.59	447400.2
	Subsidies	200000	200000	150000	150000	100000	800000	24183.797	24183.8	18137.85	18137.85	12091.9	96735.19
Operational costs	Energy (Electricity, water et al)	450000	450000	450000	450000	450000	2250000	54413.543	54413.54	54413.54	54413.54	54413.54	272067.7
	Communications	200000	200000	200000	200000	200000	1000000	24183.797	24183.8	24183.8	24183.8	24183.8	120919
	Experimental stations	250000	250000	250000	150000		900000	30229.746	30229.75	30229.75	18137.85	0	108827.1

		RMB						USD					
		Yr1	Yr2	Yr3	Yr4	Yr5	Total	Yr1	Yr2	Yr3	Yr4	Yr5	Total
	Office	100000	100000	100000	100000	80000	480000	12091.898	12091.9	12091.9	12091.9	9673.519	58041.11
	Meetings	250000	250000	250000	250000	250000	1250000	30229.746	30229.75	30229.75	30229.75	30229.75	151148.7
Monitoring surveys	Environmental quality	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	12000000	290205.56	290205.6	290205.6	290205.6	290205.6	1451028
	Environmental quality report for fishery	200,000	200,000	200,000	200,000	200,000	1000000	24183.797	24183.8	24183.8	24183.8	24183.8	120919
	Field observations		4000000	4000000			8000000	0	483675.9	483675.9	0	0	967351.9
Other data & information	BS-GLOBEC(20%)	1000000					1000000	120918.98	0	0	0	0	120919
e.g.	YSECS-GLOBEC(20%)	8270000					8270000	1000000	0	0	0	0	1000000
	YS-Circulation (10%)	3000000					3000000	362756.95	0	0	0	0	362757
							57327000	2629504.2	1502539	1296856	788996.4	714026.6	6931923

ROK Co-financing Contributions							
(UNIT: 1US\$ = 1,000KRW)							
* Including KORDI's support to host the PMO (\$62,000), the Grand Total is USD \$6,216,992.							
All figures are shown in US Dollars.							
FISHERIES COMPONENT							
	Activities	'05	'06	'07	'08	'09	Total
Stock Assessment	Grand Total	944,992	1,470,000	1,390,000	1,260,000	1,090,000	6,154,992
	Sub Total	13,000	40,000	70,000	50,000	30,000	203,000
	Activity 1. Review of existing data (review of historical data commercial fisheries and research results)	10,000	10,000				20,000
	Activity 2. Diagnosis of stocks condition		10,000	10,000			20,000
	Activity 3. Develop common methodology for joint regional stock assessment		10,000	10,000			20,000
	Activity 4. Perform joint regional surveys	3,000	10,000	30,000	30,000	10,000	83,000
	Activity 5. Perform initial joint regional stock assessment			20,000	20,000	20,000	60,000
	Sub Total	10,000	20,000	10,000	0	0	40,000
Sustainable Mariculture (combined with mariculture in production and disease in mariculture)	Sub Total	10,000	20,000	10,000	0	0	40,000
	Activity 1. Review existing status, diseases and trends of mariculture	10,000					10,000
	Activity 2. Develop joint applied research program for sustainable mariculture		10,000				10,000
	Activity 3. Facilitate communication about new diseases, diagnoses, and control techniques		10,000	10,000			20,000
BIODIVERSITY COMPONENT							
	Activities	'05	'06	'07	'08	'09	Total
IIA. Habitat Conservation & Vulnerable Species	Sub Total	221,992	260,000	300,000	300,000	200,000	1,281,992
	Activity 1. Review existing national practices of coastal habitat use, conservation, restoration, status of vulnerable species, and trophic linkages (including keystone species), and analyse and prioritise gaps of regional importance; Identify capacity gaps, and prioritise training needs	111,992+					
	(IIA. Habitat Conservation) Activity 1. Review existing national practices of coastal habitat use, conservation, and restoration. (IIB. Vulnerable Species) Activity 1. Conduct national review of status of vulnerable species and vulnerable trophic linkages.	40,000=					
	(IIA. Habitat Conservation) Activity 2. Develop regionally coordinated strategies of conservation and restoration of habitats. (IIB. Vulnerable Species) Activity 2. Develop regionally-coordinated strategies for protection of vulnerable specie.	151,992					
	Activity 2. Develop regionally coordinated strategies of conservation and restoration of habitats and for protection of vulnerable species (IIA. Habitat Conservation) Activity 2. Develop regionally coordinated strategies of conservation and restoration of habitats. (IIB. Vulnerable Species) Activity 2. Develop regionally-coordinated strategies for protection of vulnerable specie.	50,000+					
	Activity 3. Implement Regional Strategy for Conservation Areas and for protection of vulnerable species.	10,000=					
	Activity 4. Implementation of regionally coordinated strategies for protection of vulnerable species.	60,000	80,000	100,000	100,000		340,000
	Activity 3. Implement Regional Strategy for Conservation Areas and for protection of vulnerable species.						
	Activity 4. Implementation of regionally coordinated strategies for protection of vulnerable species.	10,000	80,000	100,000	100,000	100,000	390,000
	IIB. Genetic Diversity						
	Sub Total	30,000	240,000				270,000
	Activity High. Determine situations of genetic degradation of important bio-resources.	10,000	80,000				90,000

	Activity 2. Develop regional consensus on the requirements for conservation of gene and prepare recommendations for conservation measures	10,000	80,000				90,000
	Activity 3. Implementation of regionally coordinated strategies for genetic diversity	10,000	80,000				90,000
	IIIC. Introduced Species						
	Sub Total	40,000	100,000	200,000	100,000	50,000	490,000
	Activity 1. Document introduced and suspected introduced species and their pathways, assess impacts and risks based on their invasiveness, and list current government policies and regulations	20,000	50,000	100,000	50,000		220,000
	Activity 2. Develop proposals for regulation and control of introduced species.	20,000	50,000	100,000	50,000	50,000	270,000
ECOSYSTEM COMPONENT	Activities	'05	'06	'07	'08	'09	Total
	IIIA Status of Ecosystem						
	Sub Total	630,000	60,000	60,000	60,000	60,000	870,000
	Activity 1. Prepare state-of-ecosystem reviews and reports.(including long-term and recent changes)						
	Activity 2. Identify data and information gaps and develop strategies for monitoring changing status of ecosystem and its transboundary impacts.						
	Activity 3. Demonstration of new and innovative technologies for monitoring.	630,000	60,000	60,000	60,000	60,000	870,000
POLLUTION COMPONENT	Activities	'05	'06	'07	'08	'09	Total
	IIIF Critical Spot Analysis						
	Sub Total		750,000	750,000	750,000	750,000	3,000,000
	Activity 1. Determine and rank critical spot sources of water quality degradation.		750,000 (MOMAF)	750,000 (MOMAF)	750,000 (MOMAF)	750,000 (MOMAF)	3,000,000
	Activity 2. Develop procedures for remediation						
	Activity 3. Develop investment strategies						
	Activity 4. Facilitate implementation of procedures for re-mediation and prevention.						

Co-financing committed by YSEPP (March 7, 2005)		
	co-financing by YSEPP (USD)	co-financing by YSEPP (JPY)
direct expense		
1207 Habitat review	USD 63,636	JPY 7,000,000
3310 YSLME RWG-B / YSEPP Biodiversity Vision meetings	included in above	
5204 Printing of habitat review	included in above	
5205 Printing of vul. spp review	included in above	
sub-total 1	USD 63,636	
staff time		
WWF Japan officer	USD 40,909	JPY 4,500,000
KORDI officer	USD 9,091	JPY 1,000,000
WWF China officer	USD 13,636	JPY 1,500,000
(Note: staff time is dedicated to 1207 Habitat review, 1208 Vulnerable spp. review, and 2108 Review existing practices)		
WWF Japan director	USD 2,727	JPY 300,000
WWF China director	USD 3,000	
WWF International director	USD 2,000	
sub-total 2	USD 71,364	
grand total	USD 135,000	

Proposed Meeting Schedule for 2005

	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S								
January	New Year			4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31							
February				1	2	3	4	5	6	7	8	Chi New Year				13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28							
March				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31				
April							1	2	3	4	5	1st PSC (Seoul)			10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30			
May	1	2	3	4	5	6	7	8	9	10	11	1 RWG-P (Qingdao)			16	17	1 RWG-F (Qingdao)			22	23	WWF-BD		25	1 RWG-B (Qingdao) ¹			30	31	1	2	3						
June												1 RWG-E (Korea)			10	1 RWG-I (Yantai)			17	IOC/WESTPAC					26	27	28	29	30									
July																								IW-III Brasil					24	25	26	27	28	29	30	31		
August																																						
September																																						
October	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31							
November																																						
December																																						

- Legend:
- UN / public holiday
 - Regional Technical Meeting
 - Project Steering Committee
 - Regional Working Group
 - Related Meetings

Notes: 1. Although it was preferred that the first round of RWG meetings would be held in the Chair's country, the first RWG-B and RWG-E are proposed to be held in China, together with WWF-YSEPP's Biodiversity Vision Workshop. There will be a one day overlap of the 2 workshops on 18 April 2005.

Annex V

Recommendations of the Second Regional Technical Meeting on Preparation of the Implementation Plan for the UNDP/GEF Yellow Sea Project

The Second Regional Technical Meeting (3-5 March 2005, Ansan, Korea)

Acknowledging that the Yellow Sea faces serious environmental problems, many transboundary in nature, and that arise from anthropogenic causes, in particular from pollution and overexploitation of living resources and which could have serious, perhaps irreversible, economic consequences;

Recalling the objective of the project to implement an ecosystem-based management approach to reduce development stress on the ecosystem and to initiate recovery actions leading to the long-term sustainability of the environment and resources of the YSLME;

Reviewed the project document prepared during the PDF-B phase of the project, with a view to prepare an Implementation Plan for effective implementation of the project activities;

Reviewed also the discussion and agreements made by the 1st Regional Technical Meeting regarding the project components, including the project structure, project activities and priorities, the project budget and the workplan;

Noted with appreciation the Draft Implementation Plan prepared by the Project Management Office, and the discussions of the draft at the national level, which provide solid bases for consideration at the 2nd Regional Technical Meeting;

Satisfied of the co-operative atmosphere shown by all the partners of the project, and careful considerations during the 1st and 2nd Regional Technical Meetings;

Recommends that the Project Steering Committee approve the revised Implementation Plan for the project, agreed upon during the meeting, with the understanding that the Regional Working Groups will discuss, and agree, on the detailed requirements for the preparation of the Transboundary Diagnostic Analysis (TDA) and the Strategic Action Programme (SAP).