

STATEMENT OF WORK

Consultant for Investment Component's Governance Analysis

Proposal deadline: 17th February 2006

1. Background

In the approved Implementation Plan of the UNDP/GEF Yellow Sea Project, "Reducing Environmental Stress in the Yellow Sea Large Marine Ecosystem," one of the main activities of the Investment Component is to identify stakeholders and assess their capacities to contribute to the Transboundary Diagnostic Analysis (TDA). The Regional Working Group for Investment Component (RWG-I) agreed at its second meeting (Jeju, Korea, 14-17 November 2005) to implement Governance Analysis which addresses issues of not only stakeholders but also institutional arrangements, and legal and policy frameworks. The objective of this task is to conduct the Governance Analysis so as to understand the underlying root causes of the Yellow Sea's ecosystem problems, through the analysis of the whole political environment that affects environmental problems including: stakeholder institutions, laws, policies and projected investments. The results of the analysis will provide basic foundation for identifying possible interventions. The agreement of the RWG-I was approved by the Project Steering Committee at its second meeting (Kunming, China, 19-20 December 2005).

Geographic Scope: The Yellow Sea Large Marine Ecosystem is defined in the Project Document as the body of water delineated at the south, by a line connecting the north bank of the mouth of the Chang Jiang (Yangtze River) to the south side of Cheju; at the east, by a line connecting Cheju Island to Jindo Island along the coast of the Republic of Korea; and to the north, a line connecting Dalian to Penglai (on the Shandong Peninsula). This latter line separates the Bohai Sea from the Yellow Sea and as a result is not included in this study.

2. Description of Required Services

A competent institution(s), selected through the required United Nations bidding procedure, will be contracted to assume the main responsibility of implementing the three analytical works that constitute Governance Analysis: Stakeholder Analysis, Institutional Analysis, and Legal and Policy Analysis. The institution(s) shall carry out the following activities:

- 1) Collect and analyse the existing data and information, as described in the below sections from (1a) through (1e), relevant to the entire political environment that affects environmental problems in Yellow Sea, and relevant to the socio-economic aspects of the Project's other four components (Fisheries, Biodiversity, Ecosystem, and Pollution). The results of preliminary Governance Analysis as well as Causal Chain Analysis completed by the four components must be reviewed by the selected institutions. The review should also cover as much as possible, the data and information existing in all relevant institutions in the country and it should be accomplished through internet searches; telephone interviews; library research; and visits to/communication with national data centres, research institutions, government agencies. The analysis may employ structured questionnaires to collect data and analyse them statistically. The major activities will include:
 - (a) Review of Project components' socio-economic data collection and preliminary Governance Analysis

- Review the socio-economic data collected by the Project's four natural science components (Attachment 1), and identify missing data, if any, which are necessary for Governance Analysis
 - Review and use the results of preliminary Governance Analysis conducted by the Project's components (Attachment 2) as a basis for further data collection and analytical work of the Governance Analysis
- (b) Stakeholder Analysis
- Confirm and collect information about affected populations, including government, regulatory agencies, communities, industries, and NGOs, in terms of:
 - The stated and/or unstated interest of each stakeholder in relation to reducing environmental stress in the Yellow Sea marine ecosystem
 - The nature and degree or the ability of each actor with regard to mobilising collective actions for individual common interest
 - Reveal the political hierarchies and relationships among various stakeholders
 - Predict how different interests are likely to influence the policymaking process
 - Devise a plan to encourage a wide range of stakeholders to participate in the relevant actions in protect marine and coastal environment and sustainable use of marine and coastal resources, especially general public
- (c) Institutional Analysis
- Provide a list of governmental and non-governmental agencies and their responsibilities, as related to managing the Yellow Sea coastal and marine environment
 - Analyse the dynamics of intra- and inter-organisational activities within the decision-making process, and implementation after the decision is made
 - Identify potential weaknesses in the institutional arrangements
 - Clarify the needs and suggest recommendations for institutional reform, better intra and inter-sectoral coordination, and/or capacity building
- (d) Legal and Policy Analysis
- Provide information on the current legal status, including both national and international levels, regarding environmental protection (e.g. prevention of land-based pollution and marine pollution from ships) and sustainable use of marine and coastal resources (e.g. conservation of living marine resources),
 - Describe the extent to which relevant environmental protections conventions, treaties, or agreements are being implemented
 - Clarify reasons for lack of implementation or enforcement by the relevant national strategies and law enforcement agencies
 - Analyse the conventions, treaties, or agreements' potential as instruments for better regional co-operation
 - Provide recommendations for possible legal and policy harmonisation and reforms
- (e) Synthesis of the analyses
- Provide an integrated Governance Analysis addressing the problems identified by the Project's four natural science components in their preliminary governance analysis
 - Recommend the priority areas and activities of future interventions, based on the above analyses. These recommendations would be the key inputs to the TDA, as part of causal chain analysis, and to the Strategic Action Programme (SAP), as management suggestions to be used in the preparation of the Strategic Action Programme (SAP). (The SAP is a negotiated policy

document which should identify policy, legal and institutional reforms and investments needed to address the priority transboundary problems.)

- 2) Submit the results-to-date to Project Management Office. The preliminary results will be reviewed by all members of the RWG-I and the Project Management Office.
- 3) Revise and finalise the analyses, based on the comments from the RWG-I and the PMO, and present the results in a final report containing all the above listed points from (1a) through (1e).

The commissioned assignment should be carried out from **February 2006 through 30th June 2006**, and is expected to require approximately 165 person-days of work.

Qualifications:

The institution(s) selected to carry out this task should have the following qualifications:

- At least 15 years of experience and expertise in:
 - Relevant legislation and institutional framework
 - Environmental and resources management
 - Public consultation
 - Yellow Sea governance issues
- Ability to access necessary data and information through the databases, information centres, and other relevant institutions in the country.
- Appropriate academic qualifications and available time and good interpersonal skills, and ability to liaise with a wide range of stakeholders, including local governments, industries, communities, and NGOs.
- Financial accountability with professional financial management system.

3. Deliverables and Deadlines

The commissioned assignment will be carried out from February 2006 through June 2006, according to the following schedule:

<u>Task</u>	<u>Deadline</u>
Contract signature	February, 2006
Inception report describing the workplan and methodology	28 th February, 2006
Interim report for Regional Working Group to review; interim financial statement submitted to PMO/UNOPS	30 th April, 2006
Final report and financial statement submitted to PMO/UNOPS	30 th June, 2006

4. Monitoring/Progress Control

The PMO will assume overall supervision and co-ordination of this task. Programmatic guidance should be sought from the Project Manager, Mr. Yihang Jiang

(yihang@yslme.org), copied to Mr. Isao Endo (isao@yslme.org) at the Yellow Sea PMO. All deliverables should be submitted to Mr. Isao Endo. The format of the interim, final and financial reports should follow the templates included in Appendix 1 and the schedule as above.

5. Expected Outputs/Results

The final product should be a set of reports including:

- (i) A comprehensive Governance Analysis Report which includes all the information discussed in the above section on Description of Required Services;
- (ii) A list of data and information sources to indicate the sources of the data and information collected in item (i), location of these data and information centres, conditions of access to data and information by different users;
- (iii) A Public Involvement Plan to encourage active public participation;
- (iv) Recommendations for the priority areas and activities of future interventions; and
- (v) Project reports and financial report as described in the section on Monitoring/Progress Control and shown in Appendix 1.

Items (iii) and (iv) may be included in the item (i), the Governance Analysis Report.

Three copies of the report in English will be submitted to the Yellow Sea Project Management Office. An interim report with results-to-date should be submitted to the PMO by 30th April, 2006. This report will be circulated and reviewed by the RWG-Investment. The contracted institution(s) should then incorporate the comments from the RWG-I into the final report that is due on 30th June, 2006.

ANNEX III – BREAKDOWN OF COSTS (USD)

There may be travel costs associated with this task, as outlined in the budget below. Travel costs associated with the missions should be included in the fees below. Consultant will make its own travel arrangements unless otherwise agreed in advance with the PMO.

<u>Item</u>	<u>Unit Cost (USD)</u>	<u># of Units</u>	<u>Total Cost (USD)</u>
TOTAL AMOUNT REQUESTED			

Appendix 1 – Report Formats

SUGGESTED FINAL REPORT TABLE OF CONTENTS

- I. Background of assignment
- II. Methods used to carry out assignment
- III. Stakeholder analysis
- IV. Institutional analysis
- V. Legal and policy analysis
- VI. Recommendations for future interventions
- VII. Conclusions

Annex containing:

Persons / institutions / websites visited or interviewed
List of References

PROJECT EXPENDITURE REPORT

Project statement of allocation (budget), expenditure and balance (Expressed in USD) covering the period

From.....**To**..... **Supporting**
Organization...UNDP/GEF.....

Project Title...*Reducing Environmental Stress in the Yellow Sea Large Marine Ecosystem*...

Project Commencing..... (Date) **Project Ending**..... (Date)

Object of Expenditure	Project Budget Allocation Amount (1)	Expenditure incurred from ... to Amount (2)	Unspent balance of budget Amount (3)
..... (USE ITEMS ACCORDING TO THE BUDGET CATEGORIES IN ACCORDANCE WITH THE SIGNED MEMORANDUM OF UNDERSTANDING OR CONTRACT)			
GRAND TOTAL			

Signed _____

Designation _____

Duly authorized official _____

Attachment 1 – Socio-economic Data Collected by Project’s Components

Project component	Socio-economic data
Biodiversity	<ul style="list-style-type: none"> • Biodiversity-related laws, regulations, standards, and international agreements
Ecosystem	[Use data collected by other components]
Fisheries	<ul style="list-style-type: none"> • Number of vessels of fisheries, power and gross tons • Fisheries income by country and by fisherperson • Fishery consumption by country, per kg, per capita • Fishery export and import by country, value, volume • Economic importance of fisheries (e.g. employment, GDP contribution)
Pollution	<ul style="list-style-type: none"> • Shipping: traffic and cargo • Fisherfolk income in gross annual income per household • Number of able-bodied persons not employed • Average insurance premium costs • Hospitalization/outpatient fee • Number and type of new introduced human-affected diseases • Income from tourism activities

Attachment 2 – Results of Preliminary Governance Analysis

Biodiversity Component

Problem	Impact	Immediate cause	Underlying cause	Root cause	Governance analysis	Priority rank
	Reduction in habitat area, and quality and community	Reclamation, erosion, sand extraction, ocean dumping, construction activities.	increased demand for coastal land resources, building materials, waste disposal field, natural change	Requirement for more land for rapidly growing population	Inadequate planning, management practices, and coastal development systems, lack of knowledge and or infrastructure base, weak enforcement	
	Change in extent (Area and Length) of selected marine and coastal habitats	Extensive reclamation, development of Mariculture, construction of estuary barrage	increased demand for coastal land resources between 1970's and early 1990's	requirement for more land for rapidly growing population	Development-oriented policies in coastal and marine areas, Inadequate planning, management practices, and coastal development systems, lack of knowledge and or infrastructure base, stakeholders interests, legislative loop-holes encourage reclamation, inadequate laws, weak enforcement	
Habitat Loss						
	Change in marine and coastal habitats under protection	Designation of protected areas, Development of habitat management plan	Decreased coastal and marine development pressure since late 1990's	Extended knowledge for the importance of coastal and marine habitats	Lack of an integrated coastal and marine management authority, International agreement, treaties and conventions for environment and living resources	
	Change in marine and coastal habitats utilised for sustainable use (e.g. to encourage Ecotourism)	Demand for sustainable coastal development	New demand for multi-purpose use in coastal and marine areas	Improved standard of living	Intentions for sustainable use for marine resources and conservation of marine ecosystem	

Habitat Conversion	Change of habitat structure	Reclamation for culture and salt production, and recreational activities	Increased demand for food and salt	Requirement for more food and salt for rapidly growing population	Inadequate planning, weak enforcement for marine function zoning practice (especially local government)
Exotic Species (includes natural and human-related)	Impact on native species	Increased demand for culture, and from ballast water, climate change	Demand for food, increased shipping transportation	Requirement for more food and salt (deleted) for rapidly growing population, inadequate knowledge	No or weak management practice, inadequate regulations, weak controls on greenhouse gases
Loss of Species	Reduction in Species Diversity	Improper use of bio-resources, Over-exploitation, habitat degradation and loss of spawning and nursery grounds, introduced species, change of community structure and food web	Improperly utilisation, pollution, dumping, Introduced spp. (physiology, ecology etc), and poor education of importance of species diversity. Improperly managed and controlled fisheries systems, lack of knowledge of intentionally	Inadequate knowledge Lack of basic knowledge of function and mechanism for ecosystem	Inadequate management practice, weak enforcement, poor policy for habitats and living resources Inadequate planning, management practices, and coastal development systems, lack of knowledge and or infrastructure base. Lack of integrated inter-ministerial approaches
Degradation of Bio-Diversity	Changes in genetic diversity of important bio-resources	Release of cultured species to the natural environment		Inadequate knowledge	None, or weak management practice, inadequate regulations

Ecosystem Component

<u>Problem</u>	<u>Environmental Impacts</u>	<u>Socio-economic impacts</u>	<u>Immediate causes (technical)</u>	<u>Underlying causes</u>	<u>Root causes</u>	<u>Governance analysis</u>	<u>Legal data</u>
Change in ecosystem structure	reduction in value of commercial fishery resources	loss in fisherman's income	pollution	refer to RWGP			refer to RWGP
	changes in benthic resources*	loss of aesthetic and recreational value for tourism	over harvesting	inc demand for fishery products, illegal fishing activities	refer to RWGF	inadequate fisheries management, enforcement of laws	refer to RWGF
		loss in fisherman's income	oceanographic conditions*	regional climate system*	climate change*		
	changes in biodiversity*	loss of aesthetic and recreational value for tourism	introduction of exotic species (refer RWGB)	inc in cargo traffic, introduced species for aquaculture (refer RWGB)		lack of ballast water regulation (national)?, regulations on exotic species	relevant national laws, regulations, articles, acts, strategies, plans
		loss of potential value of biological resources	Eutrophication (refer RWGP)	changes in land use patterns, insufficient treatment, increased use of fertilizers (refer RWGB, P)	population inc in coastal areas (se)	insufficient investment plans, lack of guidelines for agricultural practices, lack of appropriate development plans	"
	increased vulnerability to harmful marine organisms*	threats to human health	decreased freshwater input (se)	damming, diversion (se)	economic expansion (se)	inappropriate investment plans	"

<u>Problem</u>	<u>Environmental Impacts</u>	<u>Socio-economic impacts</u>	<u>Immediate causes (technical)</u>	<u>Underlying causes</u>	<u>Root causes</u>	<u>Governance analysis</u>	<u>Legal data</u>
		decrease in fisheries consumption			urbanisation		"
	increased vulnerability to perturbation**	increased management costs	Aquaculture (RWGF)	demand for fishery product (RWGF)	population, lifestyle (se)	refer to RWGF	"
Change in ecosystem productivity	deteriorating water quality	increased management costs	pollution	refer to RWGP			refer RWGP
		loss of aesthetic and recreational value for tourism	increased sediment input**	change in land use, construction (se)	increased demand for land (se)	lack of appropriate development plans	relevant national laws, regulations, articles, acts, strategies, plans
	source and sink capacity*	vulnerability to natural disasters	atmospheric deposition (RWGP?)**	natural and anthropogenic sources**	urbanisation, desertification (se)	lack of appropriate understanding of processes, insufficient investment	"
			change in nutrient availability & freshwater input (RWGP)	construction, damming, diversion (se)	economic expansion (se)	inappropriate investment plans	"
	fishery recruitment (RWGF)	loss in fisherman's income				inappropriate investment plans	"
		loss of employment	oceanographic conditions*	regional climate system*	climate change*	inadequate capacity in prediction and preparedness	"

<u>Problem</u>	<u>Environmental Impacts</u>	<u>Socio-economic impacts</u>	<u>Immediate causes (technical)</u>	<u>Underlying causes</u>	<u>Root causes</u>	<u>Governance analysis</u>	<u>Legal data</u>
Habitat modification	change in coastal landscape (RWGB)	loss of cultural resources	change in sediment input**	damming, diversion, construction activities on land (se)	pop, econ expansion (se)	lack of appropriate development plans	"
	loss of spawning and nursery grounds (RWGF)	loss in fisherman's income	sand extraction (se)	inc. in demand for construction materials (se)	pop, econ expansion (se)	insufficient enforcement, inappropriate management	"
	Biodiversity*	loss of aesthetic and recreational value for tourism	bottom trawling (RWGF)	inc. demand for demersal fish (RWGF)	refer to RWGF	insufficient enforcement	refer to RWGF
		loss of potential value of biological resources	coastal development (reclamation) (se)	inc land demand (se)	population, urbanisation, econ expansion (se)	lack of appropriate development plans	relevant national laws, regulations, articles, acts, strategies, plans
	habitat diversity	loss of aesthetic and recreational value for tourism					
		vulnerability to natural disasters					

Notes: thick lines around immediate and underlying causes show a one-to-one relationship between each immediate cause and its underlying cause.

* Denotes data available from ecosystem group. **Denotes data may be available, and each team should try its best to look for it.

Fisheries Component

Problem	Impacts	Immediate Causes (Technical)	Underlying cause	Root cause	Governance	Priority rank (H, M, L)	Trans-boundary?	If yes, priority rank (H, M, L)
Fisheries Issues								
Decline in CONDITIONS of Many Commercially Important Fishery Species	<i>Reduction in trophic level, Reduction in overall size of some commercially valuable species, Change in composition of species</i>	Over-exploitation of target species	Insufficient management and control of fisheries activities, Over-Capacity of fishing fleets, Illegal Fishing, Insufficient monitoring and enforcement, weak scientific-based knowledge on status of stocks	Increasing demand for marine resources due to rapid population and economic expansion	Insufficient legal instruments at national and regional levels, insufficient implementation of national regulatory instruments; lack of regional harmonization of regulations(?). Insufficient knowledge and infrastructure base	H	Y	H
Uncontrolled Aquaculture Practices	<i>Damage to coastal natural habitat (deleted 'infrastructure'), damage to environmental quality, Introduction of pathogens, increase in disease outbreak</i>	<i>(deleted 'Over-extensive and')</i> Over-intensive aquaculture activities and Over-exploitation of natural habitats, Introduction of foreign species	Increasing mariculture activities, Effect of mariculture activities on surrounding habitats	Increasing demand for marine resources (mariculture products) due to rapid population and economic expansion	Inadequate legal instruments at national and regional levels, inadequate implementation of national regulatory instruments; lack of regional harmonization of regulations. Inadequate knowledge and infrastructure base	H	Y	H

Inadequate Capacity to Assess Ecosystem	<i>Incapacity to adequately manage activities and management resources, and mitigate effects</i>	Insufficient information and environmental impact assessments	Insufficient knowledge and infrastructure base	Poor regional coordination, communication and collaboration, insufficient financing mechanisms and support	Insufficient understanding and associated policies	M	Y	M
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Pollution Component

<u>Problem</u>	<u>Impacts</u>	<u>Immediate causes (technical)</u>	<u>Underlying causes</u>	<u>Root causes</u>	<u>Governance analysis</u>
Deteriorating water quality (rivers, lakes, seas)	loss of recreational areas	eutrophication of waters	urbanisation	rapid coastal population growth	poor/ineffective legal instruments
	loss of tourism income	point & non-point inputs	modification of inland water flow to Yellow Sea	environmentally unfriendly technology	inadequate/insufficient infrastructure base
	increased sedimentation	oil spills	resource use conflict	inadequate/insufficient knowledge	inadequate mgmt/planning
	loss of water supply	restricted water circulation	land reclamation		insufficient stakeholder involvement in mgmt/planning
	more costly water supply	ballast water	upland land clearance		insufficient financing mechanisms & support
	decline in coastal community health		dredging		insufficient outreach
	decline/shift in spp. diversity/numbers		aquaculture		
	loss of fishing industry income		dumping		
	decline in human/marine organism health				
	harmful algal bloom and emerging diseases in the ocean				
"dead zones," reduced O2, fish kills					

deteriorating human health quality	loss of labour pool	eutrophication of waters	urbanisation	rapid coastal population growth	poor/ineffective legal instruments
	increased nat'l/individual hospital/insurance costs	point & non-point inputs	resource use conflict	environmentally unfriendly technology	inadequate mgmt/planning
	increased human-affected diseases			inadequate/insufficient knowledge	insufficient stakeholder involvement in mgmt/planning
					insufficient financing mechanisms & support
					inadequate/insufficient infrastructure base
					insufficient outreach
decline in fish and other marine species	decline in food source	eutrophication of waters	resource use conflict	rapid coastal population growth	poor/ineffective legal instruments
	loss of income for fisherfolks, aquarium	point & non-point inputs		inadequate/insufficient knowledge	inadequate infrastructure base
	degradation of food web	oil spill		rapid development of industry	inadequate mgmt/planning
	decline/shift in spp. diversity/numbers	ballast water		habitat destruction	insufficient stakeholder involvement in mgmt/planning
	marine mammal, seabird death				insufficient financing mechanisms & support
	human poisoning				
deteriorating beaches and coastal areas	loss of recreational areas	eutrophication of waters	resource use conflict	rapid coastal population growth	insufficient stakeholder involvement in mgmt/planning
	loss of tourism income	point & non-point inputs	land reclamation	inadequate/insufficient knowledge	insufficient financing mechanisms & support
	decline in coastal community health	oil spill	urbanisation		inadequate infrastructure base
			upland land clearance		poor/ineffective legal instruments
					insufficient outreach