



UNDP Project Document

United Nations Development Programme

and

The Governments of People's Republic of China, Japan and Republic of Korea

Supporting the PEMSEA Resource Facility Secretariat Services towards the Sustainable Implementation of the SDS-SEA

Brief description

PEMSEA is in the process of transforming from a project-based, fixed-term entity into a long-term self-supporting regional mechanism focusing on the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA). Part of the regional mechanism is the PEMSEA Resource Facility (PRF), which will provide Secretariat Services and Technical Services. The countries of the region have agreed to support the PRF Secretariat Services through financial and in-kind contributions.

This project will assist in building up the capacity of the PRF and PEMSEA participating countries in the development, management and operation of the PRF Secretariat Services, which will in turn facilitate the implementation of the GEF/UNDP and GEF/World Bank projects, and support the development of a self-sustaining regional mechanism for the implementation of the SDS-SEA.

Section I: Introduction

Part I. Situation Analysis

The Seas of East Asia are composed of six large marine ecosystems, namely the South China Sea, East China Sea, Yellow Sea, Sulu-Celebes Seas, Indonesian Seas, and the Gulf of Thailand. For 12 years, the littoral countries benefited from GEF support through the Regional Programme on the Prevention and Management of Marine Pollution in the Seas of East Asia (1994-1999) and the follow-on Regional Programme on Building Partnerships in Environmental Management for the Seas of East Asia (1999-2007). Eleven (11) littoral countries participated in the first regional programme¹, and they were joined by Japan, during the second regional programme. The two regional programmes have helped to develop methodologies and policies for the integrated management of coastal and marine areas of the Seas of East Asia.

In 2003, the countries through the programme had developed the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA), which they adopted through the Putrajaya Declaration signed by their respective Ministers and high officials in December 2003.

After the Putrajaya Declaration, countries prepared for the implementation of the SDS-SEA by identifying priorities for action under a Programme of Activities, approved by the 10th Programme Steering Committee (PSC) Meeting (October 2004), agreeing to establish a partnership arrangement as a regional mechanism to coordinate SDS-SEA implementation, and to apply for GEF support for the implementation activities. The 10th PSC recommended that partnership arrangement be established through the transformation of the existing project-oriented implementing arrangements of the Regional Programme, to a longer-term implementing mechanism, consisting of: a PEMSEA Partnership Council; a PEMSEA Resource Facility (PRF); a tri-annual EAS Congress; and a Regional Partnership Fund (RPF).

The proposed regional implementing mechanism would have the capacity to execute, coordinate, build capacities and partnerships, mobilize resources, transfer knowledge, and monitor and evaluate progress toward SDS-SEA goals and targets.

The 11th PSC meeting reviewed two draft documents, the Partnership Agreement on the Implementation of the SDS-SEA, and the Partnership Operating Arrangements. The 12th PSC Meeting endorsed the two documents to the participating governments, for consideration and signature by the respective Ministers of each country in December 2006, thereby establishing the regional implementing mechanism.

The PEMSEA Resource Facility (PRF) will provide the Secretariat Services as well as Technical Services to the EAS Partnership Council, EAS Congress and the various activities to be undertaken. A number of countries have made a commitment to support the operation of the PRF, through financial and in-kind contributions. The 11th PSC approved the Cost-Sharing Agreement (CSA), to be executed between the donor national agency and UNDP, as the instrument for cash contributions to support PRF Secretariat Services.

The 12th PSC endorsed UNDP Manila as the preferred option for Executing Agency for the implementation of the CSA and the operation of the PRF Secretariat Services. In addition, the

¹ Brunei Darussalam, Cambodia, China, DPR Korea, Indonesia, Malaysia, Philippines, RO Korea, Singapore, Thailand and Vietnam

Meeting decided to organize the early startup of the PRF Secretariat Services in order to facilitate the smooth transition from the current RPO operation, and to recommend the appointment of the current PEMSEA

Regional Programme Director to serve as the Interim Executive Director until the arrival of the PRF Executive Director, but no later than 30 June 2007.

Part II. Strategy

Countries of the East Asian Seas region have agreed to implement the SDS-SEA by establishing a regional implementing mechanism. The long-term objective is for the mechanism to become self-supporting through the commitments of the Partners, donors, contributors and financiers, and through cost recovery for services rendered. While self-sustainability is not immediately attainable, the project will provide the assistance needed to develop the self-sustainability of the regional mechanism. The project will set up the PRF and facilitate its interaction with Partners, donors, contributors and financiers, as well as users of the services to be provided. Until a more formal regional agreement is reached, the operation of the mechanism under the UNDP will provide a legal framework.

A number of countries have made a commitment to support the PRF Secretariat Services through financial and in-kind contributions. China, Japan and RO Korea will provide cash contributions for the PRF operations. The Philippines will provide the office facilities for the PRF. Other countries of the region will fund the participation of their representatives in PRF activities. The cash contributions by China, Japan, and RO Korea are allocated in accordance with the budget provided in Section III.

By providing a stable environment and setup, the project will encourage other countries and donors to contribute to the support of the PRF and ensure the sustainability of the regional mechanism.

Part III. Management Arrangements

The project will be managed in accordance with organization chart provided in Annex I. The UNDP Manila will be responsible for the execution of the project, by applying and enhancing the technical resources of the *PEMSEA Resource Facility*, with guidance from and in coordination with the *EAS Partnership Council* and the *EAS Congress*. The EAS Partnership Council will serve as the Project Steering Committee.

Cash contributions from the countries will be transferred to the UNDP through Cost-Sharing Agreements (CSAs). This funding will be used in accordance with the Work Plan and Budget below.

As shown in the organization chart (Annex I), the implementation of this project will involve interaction with the GEF-funded projects and other activities coordinated by the PRF in relation to the implementation of the SDS-SEA.

Part IV. Monitoring and Evaluation

Monitoring and evaluation (M&E) of the proposed project will be conducted in accordance with established UNDP procedures, and in consonance with the management structure and processes adopted under the proposed project. The PEMSEA Resource Facility, serving the pivotal project execution function, will provide for project M&E, in coordination with the UNDP Manila. The Results Framework, Section II, which covers performance indicators for project implementation along with their corresponding means of verification, will underpin the M&E system that will be established for the proposed project.

Performance will be gauged according to specific milestones towards achieving outputs, as documented. Activity-level M&E data collection will also be included in project TORs. On a quarterly basis, project progress, as measured by identified indicators, will be reported to the IA/EA and interested stakeholders, and key impacts will be included in the UNDP Quarterly Accomplishment Report.

Part V. Legal Context

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Participating Governments and the United Nations Development Programme, signed by the parties. The implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government cooperating agency described in that Agreement and the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a pre-condition for UNDP assistance.

UNDP shall directly implement the Project. The UNDP Resident Representative in Manila is authorized to effect in writing the following types of revision to this Project Document, provided that he/she is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a. Revisions in, or addition of, any of the annexes of the Project Document.
- b. Revisions that do not involve significant changes in the immediate Subcomponents, objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation.
- c. Mandatory annual revisions that re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.
- d. Inclusion of additional annexes and attachments only as set out in the Project Document.

Section II - Results and Resources Framework

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| Intended Outcome 1: Operational PEMSEA Resource Facility Secretariat Services |
| Outcome Indicator: The PRF Secretariat Services set up, staffed and functioning. |

| Intended Outputs | Output Targets for (years) | Indicative Activities | Responsible parties | Inputs |
|---|--|--|---------------------|---------------------------------|
| A. PEMSEA Resource Facility Secretariat Services in place | A.1 Operational CSA system (2006) | A.1.1 Set up CSA system. | UNDP Manila/PRF | CSAs |
| | A.2 Staff hired and coordinating with Partners, collaborators, donors and other financiers (2007) | A.2.1 Hire international and local staff | UNDP Manila/PRF | Staff/TORs Selection Committees |
| | A.3 Modalities for coordination with Partners, collaborators, donors and other financiers set up (2008) | A.3.1 Operating modalities for PRF Secretariat Services | UNDP Manila/PRF | |
| | A.4 EAS Partnership Council Meetings organized and conducted in 2008 and 2009 | A.4.1 EAS Partnership Council Proceedings | UNDP Manila/PRF | PRF Secretariat Services |
| | A.5 EAS Congress 2009/Ministerial Forum organized and conducted | A.5.1 EAS Congress proceedings, including Ministerial Forum | UNDP Manila/PRF | PRF Secretariat Services |
| | A.6 Working documents for transformation into a long-term regional implementing mechanism for SDS-SEA (2010) | A.6.1 Consultation on and finalization of working documents | UNDP Manila/PRF | PRF Secretariat Services |
| | A.7 Operational cost recovery system (2011) | A.7.1 Cost recovery system setup, testing and implementation | UNDP Manila/PRF | PRF Secretariat Services |

Section III—The total workplan and budget

| YEARLY COUNTRY CONTRIBUTIONS | Fiscal Year | National Currency | Total Contribution US\$ | Net contribution (less 8%) |
|------------------------------|---------------------|-------------------|-------------------------|----------------------------|
| China (Ex. Rate: 8) | 2007: Jan-Dec 2007 | 1,000,000 | 125,000 | 115,000 |
| RO Korea (Ex. Rate: 940) | 2007: Jan-Dec 2007 | 100,000,000 | 106,383 | 97,872 |
| Japan (Ex. Rate: 112) | 2006: Apr-06-Mar 07 | 14,000,000 | 125,000 | 115,000 |
| Total Contribution | | | 356,383 | 327,872 |

| YEARLY BUDGET BREAKDOWN | Original |
|---|----------------|
| <i>Staff</i> | |
| (1) Sr. Technical Officer (P5) | 130,000 |
| (1) Technical Officer (P3) | 75,000 |
| (2) National Technical Officers (NOA7) | 44,000 |
| (1) Sr. Administrative Assistant | 18,500 |
| (1) Financial Accounting Assistant (G7) | 18,500 |
| (1) Secretary | 9,600 |
| <i>Subtotal</i> | 295,600 |
| <i>Mission travel and operations</i> | |
| Mission Travel, office supplies, operation and maintenance and sundry | 60,783 |
| <i>Subtotal</i> | 80,000 |
| TOTAL EXPENSES | 356,383 |

Section IV—Other agreements

Three countries (China, Japan and RO Korea) will provide cash funding through Cost-Sharing Agreements (CSAs) to support the PRF Secretariat Services for five years. The CSAs can be found in Annex II. The CSA will also be the instrument for future contributions and donations to PEMSEA.

SIGNATURE PAGE

Country: Regional – East Asia Participating Countries: China, RO Korea, Japan

UNDAF Outcome(s)/Indicator(s): The PRF Secretariat Services set up, staffed and functioning.

(Link to UNDAF outcome, If no UNDAF, leave blank)

Expected Outcome(s)/Indicator (s): Operational PEMSEA Resource Facility Secretariat Services

(CP outcomes linked to the SRF/MYFF goal and service line)

Environmentally sustainable development to reduce human poverty

Expected Output(s)/Indicator(s): Regional and global instruments for environmentally sustainable development that benefit the poor.

(CP outcomes linked to the SRF/MYFF goal and service line) National capacity for participation in global conventions, regulatory regimes and funding mechanisms for environmentally sustainable development

Implementing partner: UNDP Philippines
(designated institution/Executing agency) (Direct Execution)

Other Partners:

| | |
|---|----------------------------|
| Programme Period: 2007-2011 | Total budget: US\$ 356,383 |
| Programme Component | Allocated resources: |
| Project Title: Supporting the PEMSEA Resource Facility Secretariat Services towards the Sustainable Implementation of the SDS-SEA | • National Contribution |
| Atlas Proposal/Project ID: | • Other: |
| Project Duration: 5 years | Sub-Total Co-Financing |
| Management Arrangement: Direct Execution (DEX) | |
| UNDP Philippines | |

Signed on behalf of the
Country:

Signature

Name and Title

Date

PR China

Administrator
State Oceanic Administration
People's Republic of China
October 18, 2006

CSM Signed

Vice Director-General
Ministry of Land, Infrastructure
and Transport
Japan

20 December 2006

Japan

February 21, 2007

RO Korea

Director
Marine Environment Division
Republic of Korea

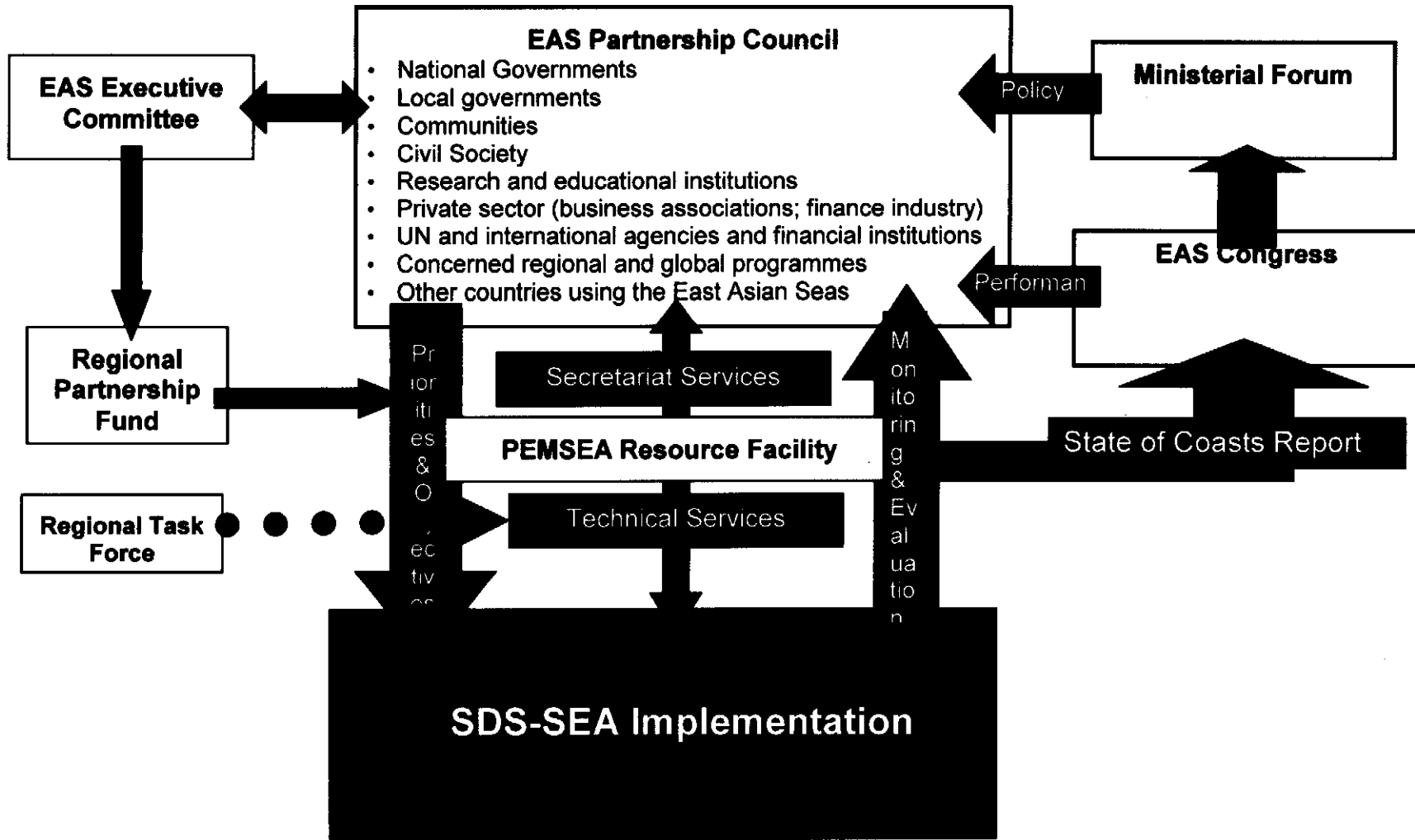
Signed on behalf of :

UNDP

Nilsanna Noble
Resident Representative

2/11/07

ANNEX I



Organizational Chart