

Annex 1

Progress Towards Meeting Objectives of GEF Operational Programs 8, 9 & 10

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PEMSEA has ten (10) components: (1) Integrated Coastal Management; (2) Risk Assessment and Risk Management in Subregional Sea Areas and Pollution Hotspots; (3) Capacity Building; (4) Regional Networks and Regional Task Force; (5) Environmental Investments; (6) Scientific Inputs; (7) Integrated Information Management System; (8) Civil Society; (9) Coastal/Marine Policy, and; (10) Regional Mechanism. These components are managed and implemented in a programmatic manner. As such the synergy created contributes to meeting expected outputs of GEF's Operational Programs Number 8 (Waterbody-Based Operational Program), Number 9 (Integrated Land and Water Multifocal Area Operational Program) and Number 10 (Contaminant-Based Operational Program). GEF's Operational Programs 8, 9, and 10 are themselves interrelated. The implementation of one supports the others. PEMSEA's accomplishment in any one of these operational programs therefore has a direct positive impact on the others.

Progress toward meeting GEF Operational Program Number 8

PEMSEA's Component 2 (Risk Assessment and Risk Management in Subregional Sea Areas and Pollution Hotspots) directly relates to meeting GEF's Operational Program Number 8 (Waterbody-Based Operational Program). Three hotspots have been identified for interventions by the programme, namely, the Bohai Sea, Gulf of Thailand and Manila Bay.

PEMSEA's own evaluation of progress of work in these hotspots show that 70 percent accomplishment for Manila Bay, 50% for Bohai Sea and 25% for Gulf of Thailand. The lower accomplishment level for the Gulf of Thailand is due to its large area coverage and the many other coastal and marine projects that have to be coordinated with. Nonetheless, PEMSEA has already organized a regional workshop involving the littoral States and international agencies working in the Gulf of Thailand resulting in an action plan for the integration of PEMSEA activities with ongoing national/international programs. As such the programme meets a stipulation of GEF's Operational Program Number 8 for interagency coordination.

GEF's Operational Program Number 8 is also expected to help develop monitoring and evaluation indicators related to international waters. At present, there are difficulties for developing countries to gather and put oceanographic data into the global data base. PEMSEA is helping break this barrier by helping in the environmental profiling and risk assessment of local ICM sites and hotspots. Networking and data sharing between sites and hotspots (i.e. Bohai Sea Web Site) then makes the data gathered more available. This also puts into practice the call of GEF OP 8, and also of GEF OP 10, for "linkage through computer-based networks".

GEF Operation Program Number 8 particularly mentions in its expected outcomes that "collaborative processes are fostered through a logical progression of GEF-funded

activities -- from project development to analyses of transboundary priority environmental concerns to formulation of an international water Strategic Action Program to eventual regional capacity building". Aside from such an approach also being taken in as PEMSEA's approach, the programme's support in developing an SDS-SEA and getting it adopted directly contributes to the formulation of an international water Strategic Action Program and regional capacity building. The SDS-SEA has already adopted in principle by the 8th PSC Meeting. The planned Ministerial Meeting at the end of 2003 to consider its finalization and formal adoption would be critical.

Regional collaboration and capacity building is also supported by the formation of the Regional Network of Local Governments (RNLG). A Network of Coastal Ocean Governance was also initiated.

Progress toward meeting *GEF Operational Program Number 9*

Integrated Coastal Management is a dynamic process of developing the expertise, institutional capacity and stakeholder support for the creation of pragmatic solutions to problems and issues that threaten the sustainability of human use of coastal ecosystems and their natural resources. Emphasis is placed on the concept of developing a robust ICM process rather than an end product such as a paper plan. This emphasis allow for progressive development of the human resources capacity, sophistication of legal and institutional arrangements, range of issues and problems dealt with and the geographic scale of the management effort. The iterative nature of the ICM process supports this notion that learning by doing is more important than attempting to solve all the complex problems associated with human development of coastal systems using a land-use planning approach.

It is important for the GEF, UNDP, IMO and other participating organizations to recognize that the PEMSEA program has made major advances in developing the utility of the ICM process by creating a number of sound management procedures, practices, and pragmatic tools that support the practical application of ICM in both developing and more developed nations. Momentum has been established that has taken the Program well beyond other similar initiatives that have made the mistake of focusing on science and information creation rather than on improved application of available information and experience, development of a wide body of public support, and building the capacity to solve common issues and problems that face nations in Asia and other parts of the world.

The PEMSEA program has achieved major progress in meeting GEF Objective 9 by focusing on building the capacity to formulate and implement integrated coastal management initiatives that provide viable solutions to complex coastal development issues. By focusing on capacity building and pragmatic approaches to the development of the institutional mechanisms for implementation of ICM, PEMSEA has achieved a higher level of ICM in practice than can be seen in other international efforts. Emphasis has also been placed on developing a robust ICM process that overcomes limitations in institutional capacities and scientific information by using an adaptive management approach where iterative cycles of ICM promote increased experience and confidence and the practice of ICM becomes a mutually reinforcing process.

A major strength of the PEMSEA program is the horizontal and vertical integration of policies, investment and day-to-day management among sectoral agencies. One example is Xiamen, an emerging coastal city in China where the integration of the economic development and investment in environmental management has provided the basis for sustainable economic and social development of the terrestrial and marine resource base. Valuable lessons have been learned through adopting an adaptive management approach that have been taken on board by the municipal, provincial and national administrations which are being used to improve the environmental, economic and social performance of successive ICM efforts. The experience gained from the successes and mistakes are providing valuable illustrations of how to develop ICM programs and project in other areas of China and in other nations in Asia and in other regions.

This emphasis upon developing comprehensive integration of different stakeholders interests across economic sectors in the formulation of priorities for action and adaptive management in the process of implementation of planned actions makes the PEMSEA program different from other international efforts in developing ICM. For example, the UNFAO efforts in ICM have focused mainly on fisheries, efforts by UNEP have focused primarily on the landward part of the coastal zone, and most donors have based their ICM initiatives on improving the information base through investment in various science based studies in the belief that better information will lead to the improved formulation of coastal management strategies, plans and management arrangements. By placing emphasis on developing the human resources capacity and institutional capacity to develop innovative solutions to complex land and ocean issues in a variety of different political, social and economic situations throughout East Asia, the PEMSEA program has created conditions conducive to the demonstration of how ICM can be used to develop robust solutions that can be shared and eventually form the basis for the development of concerted provincial, national and wider regional solutions to common issues and problems that undermine sustainable development.

Progress toward meeting GEF Operational Program Number 10

PEMSEA had already supported a substantial number of training programs related to controlling contaminants released from ships and resulting from port activities. These included Oil Pollution Preparedness Response and Cooperation (OPRC) Level 2 trainings in which all countries participating in PEMSEA have sent trainees to. Other trainings are on chemical spill prevention and port audit from which participants from Malaysia and the Philippines were able to attend. Except for the Democratic People's Republic of Korea and Indonesia, all PEMSEA participating countries have been able to send participants to the Regional Consultative Workshop on Strengthening Recovery of Ship Pollution.

A recent output related to this is the development, field testing and publication of a Port Safety Audit Manual for use by port authorities and port operators in improved environmental management of port operations. Study tours to Xiamen also exemplify concretely how good port management can lead to environmental sustainability. The rare white dolphin was spotted several times in the bay close by the port during the March 2003 bayside tour of the Xiamen's international port joined by the evaluation team.

The development of an Integrated Information Management System (Component 7) directly contributes to meeting the expected output of GEF OP 10 for the "development of computer simulation models, use of remote sensing technology and information systems". At present, an IIMS software has been developed with a guide for establishment of an IIMS and a user manual. Project personnel from all sites have been trained with follow-on training in IMS applications scheduled for 2003. This follow-on training is important in that some of the IIMS focal persons in the sites have to be given further orientation on the utility of the data and analysis that could come from the IIMS.

Although still early in their implementation, several sites have prepared for the integration of strategies to address land-based activities. The LUAS, the local focal agency implementing the ICM demonstration site in Klang, Malaysia has taken not just the coastal area but the river basins feeding into the coast. The Manila Bay hotspot site is another example in the way it has delineated and included watershed areas under its jurisdiction. The success in these efforts contribute to the success of objectives of GEF's OP 9 and 10.

Progress towards common objectives of GEF Operational Programs 8, 9, and 10

In all of GEF OP 8, 9, and 10, emphasis is made that projects under these programs require long-term commitment on the part of governments. PEMSEA's approach in requiring co-financing from local governments and policy support from national governments goes a long way in helping create this commitment. This is further strengthened with local ICM sites developing their coastal strategies. Certain sites and hotspots have also already succeeded in getting commitments from government and other stakeholders through signed "declarations". The "Bohai Declaration" committed the local authorities in the provinces, coastal cities, municipalities and districts surrounding the Bohai Sea to adopt the ecosystem management approach, functional zoning schemes, reduction of sewage and discharge of industrial wastes and promotion of environmental awareness. The "Manila Bay Declaration" brought in the commitment of representatives from the national government, provinces, cities and municipalities in the Bay and adjacent watersheds. Business and industry, civil society, UN agencies and the donor community as well joined in. The declaration and the Manila Bay Coastal Strategy was then presented to the Philippine President. These activities of the PEMSEA will serve as the foundation for mainstreaming objectives of GEF Operational Programs 8, 9, and 10 into national strategic development plans, a task that the programme should pursue in its remaining years.

The promotion of private sector participation is also emphasized by GEF Operational Programs 8, 9, and 10. Towards this, PEMSEA has already identified more than US\$600 million of environmental investment opportunities at Bohai Sea, Manila Bay, Danang, Klang, Bali, Xiamen and Bataan. Aside from PEMSEA's direct implementation of its Component 5 (Environmental Investments) particularly its Public-Private Partnership (PPP) activities, private sector contribution is promoted by the fact that with ICM programs resulting in comprehensive coastal strategies and strengthened regulatory policies, the risks for environmental investments are reduced.

Private sector contribution is also promoted with PEMSEA's support in the conduct and analysis of "willingness to pay" surveys. Sites which are now seriously looking at PPP projects have also started the conceptualization of possible economic or market-based

instruments for sustainable financing. These activities all contribute to meeting the call for innovative market approaches in Operational Program 8, ensuring financial sustainability in Operational Program 9, and the high priority given for demonstrations involving the use of economic instruments in Operational Program 10. Broadening the range of economic incentives or market based instruments available for sustainable financing from what has already been initiated would further strengthen the programme's contribution to the objectives of Operational Programs 8, 9, and 10.

The challenge now faced by the programme is putting PPP projects into actual implementation. This is not as easy as it seems. Many countries of the region are still recovering from the Asian financial crisis. This has made in some cases, donor offers for low interest loans to influence government to take on government-led and government guaranteed investments to be given higher attention.

GEF Operational Programs 8, 9, and 10 all note the importance of capacity building. In this, PEMSEA has been most active. Trainings have been held at various levels. From 1999 – 2002, there has been 8 Regional Training Courses and Workshops with 142 participants from PMO, national/local governments, academe and private sector. A Leadership Seminar in Ocean and Coastal Governance was held in 2002 with 82 senior officials in attendance. At the site level, 23 training courses and workshops were held with 387 participants from PMO, local governments, academe and the private sector. Four ICM study tours, which have been most effective in terms of sharing of experiences, have also been implemented. A total of 116 senior officials have benefited from these study tours. The forums of the RNLG, the 1st Forum in Seoul, Republic of Korea and the 2nd in Xiamen, China, both with 80 participants not only from local governments but other sectors as well, could also be considered as capacity building. In these forums, rich exchange of lessons learned from projects undertaken (an explicit objective of GEF OP 10) had occurred.

It has been noted though that more trainings had to be conducted by the programme than the number targeted in its logframe. It may do well for the programme to do so because creating a "critical mass" of technically prepared advocates for ICM and for coastal and ocean governance will mean more than just those in the selected demonstration, parallel and hotspot sites. The establishment of the Regional ICM Training Center in Xiamen does a lot to answer this need. Strengthening the Regional ICM Training Center by incorporating in its system the lessons learned and experiences of the other ICM sites in the region, as per the thinking of the Vice-Mayor of Xiamen himself, is an immediate priority.

The importance of stakeholder participation has also been highlighted in GEF OP 8, 9, and 10. PEMSEA's Component 8: Civil Society has been designed to meet this objective. While the intensity of civil society participation is uneven, there is effort from participating countries to bring in stakeholder participation as fully as it could be organized. Some of the site managers noted that in the past they were not keen on stakeholder participation. The emphasis that PEMSEA's ICM framework puts to this, however, served to guide them to put effort into it. The participation of NGOs has had value added to the total effort. In Bali, for example, NGOs are the ones helping the focal government agency on participatory mapping and on alternative livelihood (i.e. seaweed farming) for fisherfolks affected by the downturn in tourism.

The call for capacity building and the adoption of best practices implies that scientific expert support is created. Component 6 (Scientific Inputs) of the programme answers this. At the site level, links with experts and academic institutions have been made. Many sites, however, would still have to organize their expert group to the level of Xiamen which has a Marine Expert Group broadened to include those in the social and economic sciences. At the regional level, the programme has organized a Multidisciplinary Expert Group (MEG). The MEG has the potential to produce updated regional synthesis of available information on science and management focusing on regional critical issues such as transboundary impact assessment. A self-sustained MEG would also help facilitate the implementation of the SDS-SEA.