Establishment of the Joint Task Force on Governance and Financial Mechanism

1. This document was prepared by the Secretariat based on the decisions of the 2nd Meetings of the MSTP/ICCs (Dalian, PR China; March 27-28, 2018) approving the establishment of the Task Force on Rules of Governance and Sustainable Financing, and 3rd (Qingdao, PR China; March 12-14, 2019) Meetings of the MSTP/ICCs underscoring the need to have a flexible and innovative ocean governance mechanism and supporting a study on options for a sustainable ocean governance mechanism for the YSLME.

2. To implement proposed plans in the document, the joint Task Force on Governance and Financial Mechanism is suggested to be established and TOR was revised for discussion.

Recommendation:

1. The Secretariat recommends that:

   a. The first ad hoc Meeting of the ICC:

      i. Review, assess the feasibility of the TOR leading to the establishment of the YSLME Commission within the timeframe and propose revisions;

      ii. Approve the proposed TOR taking into account the suggested revisions from the meeting; and

      iii. Approve the three nominees submitted by each of the two countries and request the Secretariat to facilitate their participation in the first combined task force meeting on August 5-6 in PR China to review and conclude on the legal texts of the governance mechanism.
Background and Justification

UNDP/GEF is providing assistance through UNOPS to countries bordering Yellow Sea in support of their efforts to address among others the increasing trends of depleting fishery stocks, loss of coastal wetland, land and sea-based pollution and implementation of the Yellow Sea Large Marine Ecosystem Strategic Action Programme (YSLME SAP) adopted by PR China and RO Korea with support of DPR Korea. One of the assistance programs to implement the SAP is the UNDP/GEF/UNOPS project entitled Implementing the Strategic Action Programme for the Yellow Sea Large Marine Ecosystem: Restoring Ecosystem Goods and Services and Consolidation of a Long-term Regional Environmental Governance Framework, or the UNDP/GEF YSLME Phase II Project. The project was launched in July 2017.

The objective of this regional project is to achieve adaptive ecosystem-based management of the Yellow Sea Large Marine Ecosystem bordered by China, RO Korea and DPR Korea by fostering long-term sustainable institutional, policy and financial arrangements for effective ecosystem-based management of the Yellow Sea in accordance with the YSLME SAP.

There are four components of the project:

1. Sustainable national and regional cooperation for ecosystem-based management.
2. Improved Ecosystem Carrying Capacity with respect to provisioning services.
3. Improved Ecosystem Carrying Capacity with respect to regulating and cultural services.
4. Improved Ecosystem Carrying Capacity with respect to supporting services.

The key outcomes sought are:

1. Establishment of a self-sustaining cooperative mechanism for ecosystem-based management.
2. Recovery of depleted fish stocks and improved mariculture production and quality.
3. Improved ecosystem health;
4. improved inter-sectoral coordination and mainstreaming of ecosystem-based management principles at the national level, maintenance of habitat areas, strengthened stakeholder participation in management and improved policy making.
5. Skills and capacity significantly developed for region-wide ecosystem-based management.

In Component 1 of the Project, the project covers various governance approach requesting actions to 1) establish institutional framework; 2) improve legal instruments; 3) strengthen partnership; and 4) improve national governance. During the governance analysis stage, it is recognized that lack of adequate legal instruments, and weak or non-existing enforcement of existing rules and laws with a lack of compliance among stakeholders constitute the major legal challenges to restoring the
ecosystem carrying capacity of the Yellow Sea. In response, the YSLME SAP has identified areas mentioned above.

In line with these, during the 2nd MSTP and ICC meetings, the partners agreed to conclude finance agreement for the implementation of SAP (2020-2030) and the operation of the governance mechanism, establish a YSLME Trust Fund and financial management rules of Trust Fund.

During the ICC-3, the meeting also agreed to support a study on options for a sustainable ocean governance mechanism for the YSLME and commissioned the PMO to mobilize a consultancy firm to prepare the document which will be focused on their geographical situations, geographic coverages, major actions and activities, and possibilities of potential co-operation and co-ordination. Through two consultation meetings with experts from both countries held in June, PR China, the document was drafted with results of systematic analysis, discussions of experts and consultations with relevant governmental organizations, three options for the structure of YSLME governance mechanism were proposed and justified via the SWOT analysis. This document is submitted to the 1st ad-hoc ICC meeting for review.

Objectives

The overall objective of this task force (TF) is to assist development of regional ocean governance mechanism including the sustainable financial mechanism for the Yellow Sea and to support implementation of YSLME SAP. The TF will closely work with Sustainable Finance Specialist if needed.

Expected Outputs

The TF in consultation with the consultant is expected to conduct the following tasks:

Advise, review and draft infrastructure and institutional documents to institutionalize the regional ocean coordination mechanism for the YSLME, and the financing agreement and the YSLME Trust Fund, using the Basic instruments on establishment of the YSLME governance mechanism and the documents prepared by the Sustainable Financing Specialist as the reference documents. Negotiate the roles, staffing, financing and location of the long-term Secretariat of the Commission.

Activities

Activities include but not necessarily limited to the following tasks:

Advise, review and draft infrastructure and institutional documents to institutionalize the regional ocean coordination mechanism for the YSLME, and the financing agreement and the YSLME Trust Fund, using the Basic instruments on establishment of the YSLME governance mechanism and the documents prepared by the Sustainable Financing Specialist as the reference documents. Specifically, the TF is expected to conduct the following activities:

• Finalize the documents for establishment of the Regional Ocean Governance Mechanism, in particular the following issues –
  1) Title of the mechanism;
Output 2: Participate in extensive consultation process on operational and financial aspects of the regional ocean governance mechanism, including

- Attend task force meetings to discuss on the operations of the governance mechanism, in particular the following issues:
  1) Proposed roles of the Secretariat, staffing, salary package, financing and location of the Secretariat;
  2) Review the MOU to establish the regional ocean governance mechanism for the YSLME;
  3) Review and advise on the financing agreement for sustainable operation of the ocean governance mechanism of the YSLME and the Secretariat.

Inputs
UNDP/GEF YSLME Phase II Project Management Office (PMO) will convene, prepare meeting documents with assistance of International Consultant, and facilitate the participation of TF members and provide financial support and the logistics in relation to participation of the consultant in workshops and meetings as deemed necessary by the PMO.

Timing
The TF will start operation in 20 July 2019 and complete by the time the legal text for regional ocean governance mechanism will be approved by Interim Commission Council (ICC).

Reporting and other services
The TF will assist to provide:

1. By September 16, 2019, a “Basic Documents of Regional Ocean Governance Mechanism for the YSLME”;

2. By December 16, 2019 “A MOU to establish the regional ocean governance mechanism for the YSLME” and “Financing agreement for sustainable operation of the regional ocean governance mechanism and the Secretariat”.

The TF will have:

1. Nomination by the two governments of PR China and RO Korea;
2. Three representatives from each country and one representative from UNDP;
3. At least one or two consultation meetings to conclude the legal texts of the governance mechanism;
4. At least one consultation meeting to share views on the roles of the Secretariat, staffing, salary package, financing and location of the Secretariat;
5. Contact with an ocean governance specialist and/or financial specialist for exchanging views and information, if needed.