

Quarterly Project Progress Report

UNDP/GEF 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
[April 18, 2017]



Basic Project Information

UNDP Award ID	00074724
UNDP Project ID	00087001
Reporting Period	1 January 2018 – 31 March 2018
Participating UN agencies	UNOPS
Implementing Partners/ National collaborating agencies	State Oceanic Administration of China, and Ministry of Ocean and Fisheries of RO Korea
International collaborating agencies	
Cost-sharing third parties	
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Project website	www.yellowseapartnership.org

Executive Summary

For component 1, the ICC-2 held on March 27-28, 2018, in Dalian of PR China approved to set up the Task Force for Rules of Governance and Task Force for Sustainable Financing to establish the YSLME Commission. A plan for establishment of the Commission was also reviewed and agreed. In addition, the ICC approved to extend the project until December 31, 2019, and request for extension is being prepared by PMO to support SOA's application for extension to OFP of GEF in China.

Two Project Cooperation Agreements were signed by YSFRI and FIO, and the third PCA is pending signing by NMEMC.

With project support, a proposal to establish Xiaoyangkou Intertidal mudflat as a national MPA was prepared by FIO, and report was published. If successful, the critical habitat of 42.88 square kilometers will be under effective protection from reclamation and other development activities. The proposal was already through a review by a panel.

The consultant on MPA planning is now developing the concept paper for YSLME MPA network, and workshop is being planned in July focusing on connectivity analysis. A Spotted Seal MPA network meeting was held in Dalian back to back to the ICC-2, which shed lights on cooperation among Spotted Seal MPAs including with RO Korea. Satellite tracking and engagement of DPR Korea ~~has~~have become an important area for collaboration.

1. Project Implementation Status and Progress Report (Report against AWP)

1.1 Outcome & Output Progress Report

Project Outcome/Output Indicator(s)

Indicator Description	Progress Report
1. Ensuring Sustainable Regional and National Cooperation for Ecosystem-Based Management Indicator 1.1: Status of YSLME Commission and subsidiary bodies at regional level Indicator 1.2: Status of Inter-Ministerial Coordinating Committee (IMCC) Indicator 1.3: Number of the YS Partners in support of YSLME SAP;	 The ICC-2 was held on March 27-28, 2018, in Dalian. The meeting approved to establish two task forces to develop legal documents to institutionalize the YSLME Commission. Two consultants are being hired to prepare the legal documents. OFP of GEF China was notified of the imperative of project extension. Request for extension is being prepared by PMO for review and apply for extension to OFP. The ICC-2 approved to establish the Yellow Sea Grant Program as a mechanism to engage stakeholder

<p>Indicator 1.4: Status of recognition and compliance to regional and international treaties and agreements</p> <p>Indicator 1.5: Agreement on the financial arrangement for the YSLME Commission</p>	<p>participation in particular CSOs. A consultant will be hired to prepare the program for launch by UNOPS.</p> <p>The Legal Expert is still in the process of preparing the detailed assessment report the weakness and gaps of China’s legal framework in compliance with international and regional treaties and guidelines related with coastal and oceans, and recommendations for improvement and strengthening</p> <p>At the ICC-2, the countries agreed to establish a task force on sustainable financing to help develop a trust fund for the YSLME Commission. <u>Also, a consultant is being hired to prepare the documents to establish sustainable financial mechanism including fund raising issues.</u></p>
<p>2. Improving Ecosystem Carrying Capacity with Respect to Provisioning Services</p> <p>Indicator 2.1: Number of fishing boats decommissioned from the fleet in YSLME waters</p> <p>Indicator 2.2: Status of major commercially important fish stock from restocking and habitat improvement</p> <p>Indicator 2.3: Level of pollutant discharge from mariculture operations</p>	<p>Good progress has been made in this regard, but data is being generated from the ongoing review NSAP in China and RO Korea.</p> <p>The PCA with YSFRI has been signed and first payment is being processed focusing on review of progress with demonstration of artificial reef, transplantation of macroalgae and marine ranching.</p> <p>PCA signed and first payment is being processed for YSFRI to support demonstration sites. Monitoring equipment is being purchased for collect data.</p> <p><u>The training module for application of integrated multitrophic aquaculture (IMTA) has been prepared and printed. This training module has six chapters focusing on development of IMTA in China and in the world, steps in the design of IMTA system, methods in valuation of mariculture ecosystem services, assessment of carrying capacity of IMTA, and environmental quality monitoring of the IMTA, followed with outlooks and recommendations for its future application. The module has been translated into English, and will be used as materials in the IMTA training workshop to be held in May this year for replication elsewhere in Shandong Province. —</u></p>
<p>3. Improving Ecosystem Carrying Capacity with respect to Regulating and Cultural Services</p> <p>Indicator 3.1: Level of pollutant</p>	<p>Contract for assessment of marine litter and policy</p>

<p>discharges particularly Nitrogen in YSLME tributaries</p> <p>Indicator 3.2: Types of technologies applied for pollution reduction</p> <p>Indicator 3.3: Status of legal and regulatory process to control pollution</p> <p>Indicator 3.4: Status of the control of marine litter at selected locations</p>	<p>development in Weihai is at the stage of review.</p> <p>AAlso, a consultant is being hired to prepare the documents to analysis inconsistency and gaps of domestic laws and regulations dealing with pollution control in PR China and RO including recommendations on legal and regulatory reforms.</p>
<p>4. Improving Ecosystem Carrying Capacity with respect to Supporting Services</p> <p>Indicator 4.1: Areas of critical habitats;</p> <p>Indicator 4.2: levelLevel of ecological connectivity in expansion of the Yellow Sea MPA system.</p> <p>Indicator 4.3: Status of incorporation of adaptive management of climate change regional strategies and in ICM plans for selected coastal communities</p> <p>Indicator 4.4: Status of Regional Monitoring Network for application of ECBM</p>	<p>A proposal to establish Xiaoyangkou Intertidal mudflat as a national MPA was prepared by FIO, and report was published. If successful, the critical habitat of 42.88 square kilometers will be under effective protection from reclamation and other development activities. The proposal was already through a review by a panel.</p> <p>The consultant on MPA planning is now developing the concept paper for YSLME MPA network, and workshop is being planned in July focusing on connectivity analysis. A Spotted Seal MPA network meeting was held in Dalian in a seminar held back to back to the ICC-2. ApparentlyApparently, the species is recorded to migrate from Dalian of PR China to Peter the Great Bay of Russia to the east of Korean Peninsula, and the important habitat of Baengnyeongdo of RO Korea is not yet designated as a MPA yet efforts are being made by KEOM <u>KOEM/Ministry of Oceans and Fisheries</u> to establish an artificial island for the species.</p> <p>ICC-2 approved to establish Yellow Sea Grant Program to support CSOs in implementation activities reaching out to local communities.</p>

1.1 Activity Implementation Status Report

In addition to the above progress, the following activities have been undertaken:

1. ICC-2 approved the request of the PMO to extend the project until December 31, 2019. A draft extension plan has been prepared and revised for further comments by partners. Process was clarified at the meeting.

2. Finance Management (Minsoo: please update this table)

Please mark with **red** the 'Accumulated Quarterly Delivery Rate' box (Accumulated Expenditure/ Accumulated Budget) if the delivery rate is under 60%. For delivery rate ranging from 60% to 85%, please mark with **yellow**. For delivery rate in the range of 85% - 100%, please mark with **green**. Comments must be provided for delivery rates of outputs marked with red and yellow texts. The content of comment should cover reasons for low delivery rate and action plans for catching up.

Output	Annual Budget (incl UNOPS fee)	Accumulated Expenditure	Qtr Budget (USD)	Qtr Expenditure (USD)	Accumulated Annual Delivery Rate%	Comments
1. Sustainable Regional and National Cooperation for Ecosystem-Based Management	327,427	229,795	91,872	80,002	70%	
2. Improved Ecosystem Carrying Capacity with respect to provisioning services	356,609	36,123	30,113	18,146	10%	A project cooperation agreement is to be signed with YSFRI of CAFS this year with a total amount of about \$500k subject to signing of a MOU between SOA and UNOPS. TORs of listed activities will be discussed and agreed by the Regional Working Group meeting on Fish Stock and

						Mariculture to be held on Oct 17-18 and Oct 26-27.
3. Improved Ecosystem Carrying Capacity with respect to regulating and cultural services	426,722	33,963	30,386	18,603	8%	A project cooperation agreement is to be signed with NMEMC/SOA this year with a total amount of nearly \$450k subject to signing of a MOU between SOA and UNOPS. TORs of listed activities were already agreed by the Regional Working Group meeting on Pollution Reduction On Oct 10-12.
4. Improved Ecosystem Carrying Capacity with respect to supporting services	580,846	44,450	51,559	24,120	8%	A project cooperation agreement is to be signed with FIO/SOA this year with a total amount of nearly \$480k subject to signing of a MOU between SOA and UNOPS. TORs of listed activities were already agreed by the Regional Working Group meeting on Habitat

5. Project Management Cost	103,200	89,647	22,250	23,578	87%
Total	\$1,794,803	\$433,979	\$226,179	\$164,451	24%

3. Project Management and Oversight

3.1 Risk Log Status Update

below is the table updating the risks and management responses in the project.

#	Description	Status	Management Response
1	External risks stem from the geopolitical situation and may result in one or more countries either not participating or participating only partially	<i>decreasing</i>	The recent developments between north and south and between DPRK and China reveals the ease of tensions between north and south, and hence more rooms for environmental diplomacy.
2	Potential partners unwilling to make formal commitments	<i>no change</i>	1, Project Board has adopted the guidelines for strengthening the Yellow Sea Partnership and directed PMO to organize one Yellow Sea Forum each year.
3	Stakeholders unwilling to participate	<i>Reducing</i>	
4	Governments unwilling to actively engage the NGO community	<i>Reducing</i>	2, PMO has maintained close collaboration with regional organizations in jointly implementation of the YSLME SAP. It has collaborated with UNESCAP in jointly organization of MPA Seminar in Ganghwa, RO Korea, and participated in PEMSEA Partnership Council meeting to renew the partnership and collaboration in the 6 th EAS Congress. NOWPAP participated in Inception workshop and YSLME has introduced its marine litter program through WebEx with CEARAC focal point meeting. 3, Program for SGP is currently being developed to strengthen partnership NGOs in China and RO Korea.

5	Government Ministries/departments unwilling to share development and management plans	<i>Reducing</i>	In the RWG meetings, the Project has scheduled presentations by China and RO Korea on developments in legal and regulatory reforms related with ocean and seas; update reclamation in the past and in the future. Through information sharing, governments are more inclined to showcase the developments with potential implications on the achievements of the project targets in conservation of critical coastal wetlands, and monitoring of marine litter, etc.
6	Provincial and local governments may not agree to the establishment of new MPAs	<i>unchanged</i>	<p>1, Currently four MPAs in China and one MPA in RO Korea are identified as coastal areas with global significance with conservation gaps. In China, Project supported a study on development of the critical habitats for spoon-billed sandpiper into a special MPA and the proposal will be submitted to local government for consideration. In addition, a workshop is being proposed to be held in Rudong County which harbors the habitat to further raise the awareness of the significance of conservation of the intertidal mudflat of Rudong.</p> <p>2, In RO Korea, conflicts between conservation of Black-faced spoonbill in the Ganghwa and local livelihoods exist. The Project has organized a regional MPA Seminar in collaboration with UNESCAP, KOEM and Ganghwa government to highlight the significance of wetland of Ganghwa as the world largest breeding site for the species, and appreciation of the conservation efforts of the local government in restoring the coastal wetland. Experiences of co-management, community management and other sustainable use management modalities were shared at</p>

			the meeting as well.
7	Lack of trust between participating countries may delay the nomination of Chairs of Regional Working Groups and implementation of regional activities	<i>emerging</i>	As an interim arrangement, CTA served as the Chair of the RWG Habitat meeting. The host country of the RWG meetings will serve as Chair of the RWG meetings, and this is currently proposed by PMO and agreed by RO Korea and China. PMO will continue to follow up with Implementation of the decisions of the Project Board.
8	Government policy changes, making boat buyback a low priority.	<i>Reducing</i>	Fishing policies in China are changing but to the positive side. In addition to the conventional approach of buying back fishing vessels, China is gradually reducing the fuel subsidies to fishing vessels as an additional measure to support the implementation of the scheme. The project will also address the reemployment of displaced fishermen participating in the buy-back scheme through design and implementation of microfinance, ecotourism and other sea-based income-generating opportunities. 2, In RO Korea, conflicts between conservation of Black-faced spoonbill in the Ganghwa and local livelihoods exist. The Project has organized a regional MPA Seminar in collaboration with UNESCAP, KOEM and Ganghwa government to highlight the significance of wetland of Ganghwa as the world largest breeding site for the species, and appreciation of the conservation efforts of the local government in restoring the coastal wetland. Experiences of co-management, community management and other sustainable use management modalities were shared at the meeting as well.

9	National, Provincial and Local Governments continue to encourage land reclamation.		The project will support studies of past, ongoing and future reclamation in coastal areas in Yellow Sea. Results will be presented to assess the overlapping with potential priority sites identified by WWF Japan as well as areas with conservation gaps in coastal areas by Chinese Academy of Sciences. Results of the studies will be presented to SOA for their consideration in developing the ecological redline system in coastal areas which will subject reclamation to very strict control.
10	Difficulties in negotiating the joint fisheries stock assessment, causes delay or cancellation	<i>no change</i>	This risk still exists and PMO will organize a regional workshop to draw experiences from other LMEs in joint fisheries management. Harmonizing assessment methodologies is listed on the agenda of the Regional Working Group on Fish Stocks to be held in October 17-18.
11	Mariculture enterprises unwilling to adopt integrated multi-trophic aquaculture (IMTA) in place of monoculture	<i>no change</i>	In addition to studies in China proving the increased productivity in IMTA operations than in monoculture, studies in RO Korea by National Institute of Fisheries Science indicate 2.7 times faster of sea cucumber growth, 40% increase in survival rate of rockfish, no report of disease in IMTA system and 5.5 times stronger in pollution mitigation. With these studies, IMTA proves to be real sustainable mariculture practices for replication in China, now in RO Korea and in other LMEs through trainings facilitated by IW:Learn. In China IMTA Promotion Plan will be developed with project support, along with support to development of IMTA standards and a training manual.
12	Possible risk of non-compliance by polluting enterprises	<i>Reducing</i>	The project approach to addressing non-compliance is through strengthening legal and regulatory framework, training

			in law enforcement for improved compliance with existing environmental laws. Opportunities for enterprises to develop business cases for recycling economies will also be explored and piloted.
13	New techniques for pollution reduction not widely adopted	<i>no change</i>	The risk may continue exist. A review of best available technologies and economic analysis of pollution reduction in compliance with national pollution control standards will be conducted by consultants. Identification and development of policy and financial incentives in pollution reduction and use of wetland as nutrient sinks will be supported by project.

3.2 Communication and advocacy

3.3 Management Recommendations

3.4 New opportunities/Initiatives

YSLME to launch Yellow Sea Grant Program

In component 4, the project will support a network of NGOs and community-based organizations based on the Yellow Sea Partnership established in the phase I of the project to work together in implementation of YSLME SAP. With the roles of the CSOs fully recognized by ICC, the ICC decided to launch the Yellow Sea Grant Program to support CSOs in their efforts to protect marine environment.