

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 1, 2019]



Basic Project Information

UNDP Award ID	00074724
UNDP Project ID	00087001
Reporting Period	1 January 2019 – 31 March 2019
Participating UN agencies	UNOPS
Implementing Partners/ National collaborating agencies	Ministry of Natural Resources 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.yslmep.org

Executive Summary

For component 1, the ICC-3 held on March 12-14, 2019, in Qingdao of PR China approved the Secretariat report on the implementation of the planned activities in 2018 in relation to operationalization of the Interim Commission Council and its subsidiary bodies, implementation of the project cooperation agreements, procurement, recruitment of experts, expenditure and financial aspects of the implementation of the project. The meeting welcomed the results of review of implementation of NSAP up to 2016, and requested to consider contributions made through the project with tangible outcomes for the benefits of conservation of Yellow Sea. In light of the need for flexibility and innovation in arriving at a regional ocean governance for the YSLME, the meeting decided to continue discussions for a mutually agreed interpretation of the YSLME Commission. The meeting agreed to revisit the Strategic Results Framework at the fourth meeting of the ICC.

The meeting approved the following PCAs to be signed between UNOPS and PCA entities to implement the activities in line with the proposals: 1) Amendment of Project Cooperation Agreement (PCA) with the First Institute of Oceanography of the Ministry of Natural Resources of PR China (budget: total amount: US\$747,000); 2) Amendment of the PCA with YSFRI of PR China on Reemployment Training of Displaced Fishermen Joining the Fishing Vessel Buy-Back Scheme (budget: CNY1,507,060); and 3) PCA with North China Sea Environment Monitoring Center on Demonstration of Integrated Investigation of Wetland Ecosystem of Jiaozhou Bay of Qingdao (budget: US\$300,000).

In component 2, with support of government-financed fishing vessel buy-back scheme, fishing closure in time and area, output control, marine ranching program, application of multi-trophic aquaculture and project-supported re-employment training for displaced fishermen joining the buy-back scheme, the target of reducing 10 percent of fishing vessels with sufficient social safeguards has a high likelihood of success coupled with replication of IMTA in the region.

In component 3, pollution reduction seems to be off the track due to the slow progress in agreeing to the regional marine environment monitoring, lack of full adoption of the regional strategy in using wetland as nutrient sinks, and implementation of pollution reduction demonstration project to reduce loading.

In component 4, capacity development, consultation and experiences sharing through development of training kit for biophysical connectivity, organization of biodiversity forum, training courses and policy studies, expansion of MPAs for critical intertidal flats is being realized through project interventions in Rudong and partner efforts.

In terms of partnership, civil society organizations, business associations and academic institutions were funded under the Yellow Sea Grant Program of the YSLME, enabling them to complement the existing project partners approaches by reaching out to the communities for awareness raising, education, monitoring, and facilitation of communities. The science conference to be organized by the project will definitely contribute to the update of the TDA and SAP.

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
<p>1. Ensuring Sustainable Regional and National Cooperation for Ecosystem-Based Management</p> <p>Indicator 1.1: Status of YSLME Commission and subsidiary bodies at regional level</p> <p>Indicator 1.2: Status of Inter-Ministerial Coordinating Committee (IMCC)</p> <p>Indicator 1.3: Number of the YS Partners in support of YSLME SAP;</p>	<p>As ICC-2 approved the TOR for a consultancy to establish regional ocean governance, the consultancy will be conducted in close consultation and coordination with the RWG on Governance and participation of experts. A study on the flexible and innovative options for a sustainable YSLME governance mechanism will be initiated.</p> <p>In PR China, with the reorganization of the SOA into the Ministry of Natural Resources (MNR), the management of marine ecology and environment and marine protected areas previously under the mandates of the SOA is now shared by Ministry of Ecology and Environment (MEE) and National Forestry and Grassland Administration (NFGA). Both PR China and the RO Korea held regular meetings of the IMCC right before meetings of the MSTPs and ICCs. The future of the IMCC under the new governance mechanism is uncertain. In January 2019, PR China is considering to shift the NFP role from international cooperation to the Department of Early Warning and Monitoring under MNR, and the adjustment of the IMCC is the priority work of the new NFP.</p> <p>By the end March of 2019, many national and local governments, regional organizations and regional seas programmes, academia, NGOs and private sector participated in YSLME events. various partners collaborated with YSLME Phase II Project were participated in the conduct of workshops, seminars and training courses.</p> <p>Within the reporting period, the following joint events were organized:</p> <ul style="list-style-type: none"> On 12-14 March 2019, the 3rd meeting of ICC was held in Qingdao to share views on how to establish regional ocean governance mechanism and to

<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>achieve the targets of each activity within the available timeframe.</p> <p>The preparation of regional guidelines for incorporating FAO Code of Conduct for Responsible Fisheries (CCRF) in YSLME context was initiated by YSFRI. Review of the 10 requirements will be completed after conducting in-depth analysis of regulatory framework and management practices.</p> <p>The Financing Specialist contracted by UNOPS submitted the YSLME Partnership Trust Fund to the countries along with a discussion on financing for YSLME beyond project timeframe.</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>In commensurate with the efforts of reducing fishing vessels and outputs, the project also intervened in assurance of social safeguards. A study on the social and economic implication of the implementation of the fishing vessel buy-back scheme in PR China was conducted, suggesting to focus on livelihood support and vocational skills training to enhance the employment of displaced fishermen. In the ICC-3 (Qingdao, March 12-14), a proposal to conduct training for re-employment of displaced fishermen joining the fishing vessel buy-back scheme was approved for Yantai University to train a total of 250 fishermen with 90 percent re-employment with support from Provincial and local fishery bureaus in Shandong, Liaoning and Jiangsu from July to November, 2019.</p> <p>With project support, effectiveness of license system was assessed in PR China by YSFRI and recommendations were proposed. The study indicates that: (1) license system has already restricted the quantity of marine fishing vessel numbers that had fishing activities in the Yellow Sea. However, the total tonnage and horsepower increased, which means management still needs to be strengthened to control the fishing vessel quantity, tonnage and horsepower in a reasonable range, so that the fishery resources in the Yellow Sea can be utilized in a reasonable and sustainable manner; (2) although China has taken a series of measures to restrict fisherman getting into fishery, it has positive effect on fisherman's</p>

<p>Indicator 2.3: Level of pollutant discharge from mariculture operations</p>	<p>income, which is the best feedback for the future implementation of various fishery systems. The study recommends that: (1) to completely control fishing intensity and protect marine fishery resources, China should implement input control.</p> <p>The YSLME project awarded under the YSGP a 100,000 USD grant to a consortium of China Aquatic Product Processing and Marketing Alliance (CAPPMA) and Qingdao Marine Conservation Society (QMCS) in collaboration with the Aquaculture Stewardship Society (ASC). The project aims at addressing the multiple negative environmental and social impacts of unsustainable mariculture enterprises along the Yellow Sea coast across the provinces of Liaoning, Shandong and Jiangsu Provinces in China and also involve Republic of Korea's (ROK) mariculture enterprises and NGOs operating along ROK's Yellow Sea coast. It will focus on addressing habitat destruction, overfishing, fishing down the food chain, illegal and improper chemical use, eutrophication, increasing incidents of disease in wild stocks, degradation of worker's welfare and health by promoting better developed and operated mariculture enterprises via technical guidelines and market incentives supported by relevant policies and laws.</p>
<p>3. Improving Ecosystem Carrying Capacity with respect to Regulating and Cultural Services</p> <p>Indicator 3.1: Level of pollutant 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>PCA activity on loading study for Haizhou Bay of Lianyungang City is ongoing. Production, discharge and loading of nitrogen and phosphorus in 19 rivers emptying into Haizhou Bay were studied. Reduction level from fertilizer use in 19 rivers are being calculated for consideration by Lianyungang relevant authorities.</p> <p>Assessment of the wetland ecosystem in Jiaozhou Bay is ongoing led by NCSEMC.</p> <p>Based on the review of the project consultant, there are no laws or regulations specifically issued to address marine litter in PR China. Yet a series of relative laws and regulations have been enacted to prevent and control of marine litter pollution, including Marine Environmental Protection Law; Law on the prevention and control of</p>

<p>Indicator 3.4: Status of the control of marine litter at selected locations</p>	<p>environmental pollution by solid waste (1996); Regulations on the prevention and control of pollution by land-based pollutants (1990); Regulations of the people’s republic of china on control over dumping of wastes in the ocean; Regulations of the People’s Republic of China Concerning Environmental Protection in Offshore Oil Exploration and Exploitation; Administrative Regulations on the Prevention and Treatment of the Pollution and Damage to the Marine Environment by Marine Engineering Construction Projects; and Regulation on the Prevention and Control of Vessel-induced Pollution to the Marine Environment. Programs to prevent and mitigate marine litter in PR China are also reviewed.</p> <p>In ROK, Marine Environment Management Act took effect since 2007 and was revised in 2011. By following the Act, Marine Environment Comprehensive Plan (2011-2020) was developed in collaboration with relevant stakeholders with a goal of sustainable use and management of marine environment. Plans with goals were well addressed to control pollution being occurred in coastal areas.</p> <p>Efforts are to be made by the project to identify the approach to harmonizing national and provincial legislation to improve the coastal water quality in the three provinces of the two countries.</p> <p>The 335,500 CNY YSGP grant implemented by Blue Ribbon Ocean Conservation Association contributes to this component in Jingzi Village of Weihai City by effectively resolving the contradiction between local marine resources environmental protection and community development, to make local villagers participate deeply in activities of decision-making, protection and management, to transfer themselves from managed to managing, and to gradually get benefits from marine environmental protection. It will set up a platform to promote regional cooperation and exchanges between Chinese and Korean marine NGOs. At this location, it will reduce marine litter and micro-plastics, and strengthen public education.</p>
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	<p>A further YSGP grant of 46,312 USD was awarded to Shanghai Rendu Ocean NPO Development Center (Rendu) for a marine debris monitoring project to strengthen the marine debris survey network in 6-8 locations in the Yellow Sea area. It will focus on fishery and aquaculture marine debris. Based on the survey data collected, Rendu will produce an analysis report and propose potential solutions.</p>
<p>4. Improving Ecosystem Carrying Capacity with respect to Supporting Services</p> <p>Indicator 4.1: Areas of critical habitats;</p>	<p>The project is supporting the development of YSLME Biodiversity Conservation Plan 2018-2030. Review of the conservation status in RO Korea and PR China of 23 potential priority sites identified by WWF, KMI and KIOST in 2007 have completed. Status of biodiversity, positive achievements, gaps, underlying causes to base objectives, targets and actions to be proposed in the conservation plan up to 2030 will be discussed at the biodiversity session under the 3rd YSLME Science Conference to be held in Qingdao, 2019.</p> <p>In order to better understand the implication of reclamation projects to PPAs, a consultant was hired to review the past and future reclamation to the critical coastal habitats identified by RAMSAR and Birdlife International. A draft report for maintenance of the existing critical habitats to improve the ecosystem carrying capacity of supporting services of YSLME was in preparation. Detailed information on conservation status and gaps and also recommended management measures is expected to be proposed. The study will contribute to the conservation of intertidal mudflat. In 2018, the Ministry of Natural Resource of PR China requested suspension of all reclamation projects in coastal areas, and this new order will place much hope to protect remaining but critically important intertidal of YS.</p> <p>One of the targets expected to be achieved during the YSLME Project Phase II is the development of a YSLME Biodiversity Conservation Plan. Assessment of coastal and marine critical habitats in the YS will be carried out by focusing on 23 Potential Priority Areas (PPAs) with collection of distribution of engendered and threatened</p>

<p>Indicator 4.2: level of ecological connectivity in expansion of the Yellow Sea MPA system.</p>	<p>marine organisms, spawning, nursery and feeding grounds, cold water mass (CWM), and endangered migratory waterbirds. Terms of Reference (TOR) for hiring consultant biodiversity planning specialist will be prepared in consultation with experts from both countries.</p> <p>Surveys and production of overlays to analyze gaps and conservation needs of critical species and habitats, i.e. seal, endangered migratory birds, fish spawning and nursery grounds, cold water mass, etc. are being conducted by FIO, NMEMC and YSFRI in PR China through PCAs. Results of the technical assistance will lead to development of marine biodiversity protected area development plan in PR China. The same institute completed a study to support the government of Rudong in Jiangsu Province of PR China to establish Xiaoyangkou wetland as a National Marine Protected Area for consideration by the State Oceanic Administration of PR China. This site is selected as the critical stopover habitat for critically endangered spoon-billed sandpiper along the East Asia and Australian flyway with highest irreplaceability index. A proposal to set a total of 42.88 km² as MPA was reviewed and discussed by SOA and results of the review was not announced due to reorganization of SOA. National Forestry and Grassland Administration of PR China who assumes the management responsibility of MPA is suggested to approve the gazettelement of this MPA. Another example of MPA expansion taking into account ecological connectivity during the project period is the Garorim Bay Marine Species Protected Area in RO Korea. It was designated as MPA site in July 2016 covering areas of 91.237km² with a goal of protection of habitat and breeding grounds of protected marine species including spotted seal, and systematic conservation and protection of key habitats of marine and pelagic species.</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>On 10-11 June, 2019, the 1st workshop on YSCWM plans to be held in Penglai, PRC to share views on the responses of ecosystems in YS to natural forces and forecast of ecosystem changes in the YS as a result of climate change and anthropogenic influence.</p>
<p>Indicator 4.4: Status of Regional</p>	

Monitoring Network for application of ECBM	PCA activities are ongoing undertaken by FIO.
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2. Finance Management

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	995,973	154,965.82		154,965.82	16%	The third meeting of MSTP/ICC was organized on March 12-14 in Qingdao, PR China
2. Improved Ecosystem Carrying Capacity with respect to provisioning services	724,958	37,795.47		37,795.47	5%	YSLME purchased two Chlorophyll and turbidity sensors and 1 Dissolved Oxygen Logger for
3. Improved Ecosystem Carrying Capacity with respect to regulating and cultural services	806,019	-1988.57		-1988.57	-0.2%	A project cooperation agreement is to be signed with NCSEMC-S OA this year with a total amount of nearly \$300,000 subject to signing of a MOU between NCSEMC and UNOPS..

4. Improved Ecosystem Carrying Capacity with respect to supporting services	2,240,884	82,417.92		82,417.92	3.7%	Grant support agreements are to be signed with 8 grantees this year with a total amount of nearly \$800,000 subject to signing of contracts between grantees and UNOPS.
5. Project Management Cost		9134.68		9134.68		
Total	\$4,767,833	\$282,325.32			6%	

3. Project Management and Oversight

3 Risk Log Status Update

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

#	Description	Status	Management Response
1	Potential partners unwilling to make formal commitments	<i>increasing</i>	Based on the agreement between PR China and RO Korea, the YSLME SAP specifies a target to establish YSLME Commission as the non-legally binding cooperation framework between the two countries. With the institutional restructuring in PR China where four national agencies have mandates over different aspects of ocean management, YSLME focal point in PR China lowered the expectation of establishing the YSLME Commission. At the 3 rd Interim YSLME Commission Council Meeting, both countries expressed the need to have a flexible and innovative regional ocean governance mechanism and commissioned an independent study to explore options for a regional ocean governance mechanism in the YSLME.

			An ad hoc ICC meeting will be held in July 15-16 to discuss to seek consensus on the framework of the regional governance mechanism and plans to use a task force to finalize the infrastructure of the mechanism and basic instruments to institutionalize the mechanism by end of the year.
2	The reorganized Ministry of Natural Resources (MNR) may lack ownership of the project results due to the shift of mandate in management of marine ecology and environment and marine protected areas to other line ministries.	<i>new</i>	Formal communication between UNOPS and UNDP senior managers with senior official of the Ministry of Natural Resources was made to raise concerns of inter-ministerial coordination in project implementation. In response, the MNR has formally established the Inter-Ministerial Coordination Committee to streamline the horizontal (among MNR, MEE, MARA and NFGA) and vertical coordination (between MNR and provincial governments in Shandong, Liaoning and Jiangsu). In addition, the IMCC also met quarterly instead of annually to give oversight of the project implementation. National Task Forces and a technical committee were established to oversee the quality of implementation of the project and appraise the deliverable of PCAs, subcontracts and consultants. The restructured ICC worked well in coordinating position of China for the ad hoc ICC, and the RWG-Mariculture was able to organize a review meeting to appraise the deliverable of study on feasibility of replication of IMTA in wider Shandong.
3	Heavy workload under the project to PMO	<i>Recurrent</i>	The workload under the project is extremely high given the complexity of the project and shortage of staff in the PMO as identified by the MTR mission. In response to the reorganization of the

			<p>SOA of PR China, PMO Dalian Branch is now hosted by Marine Hazard Mitigation Service of the Ministry of Natural Resources, the technical support institution to National Focal Point of YSLME Phase II Project in PR China to strengthen the coordination and improve the communication between PMO and PR China in support of effective implementation of the project. An environment Specialist will be also on board in May to help manage the eight grant programs under the Yellow Sea Grant Program under the Phase II Project. Three interns are also on board to assist in administrative, communication and other assistance roles while developing their planning, organizational and operational skills through mobilization of inputs, events management and reporting under the UN project contexts.</p>
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