

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
[October 1, 2018]



Basic Project Information

UNDP Award ID	00074724
UNDP Project ID	00087001
Reporting Period	1 July 2018 – 31 September 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 developing the concept paper for YSLME MPA network, and 1st regional workshop on designing a network of MPAs for the YSLME was held on 23-27 July in Seocheon, RO Korea. 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.

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	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. The Ocean Governance Specialist prepared legal documents to set up the YSLME Commission and the Sustainable Financing Specialist submitted the YSLME Trust Fund for review.
Indicator 1.2: Status of Inter-Ministerial Coordinating Committee (IMCC)	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.

<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>The PCA with YSFRI has been signed and first payment was done focusing on review of progress with demonstration of artificial reef, transplantation of macroalgae and marine ranching.</p> <p>PCA signed and first payment was done for YSFRI to support demonstration sites. Monitoring equipment is being purchased for collect data.</p> <p>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.</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>Indicator 3.4: Status of the control of marine litter at selected locations</p>	<p>Contract for assessment of marine litter and policy development in Weihai is at the stage of review. On March 26, 2018, the Ministry of Ecology and Environment reviewed and adopted in principle the “Action Plan for the Implementation of the Proposal for the Reform of the Import Management System for the Prohibition of the Importation of Solid Waste into the Prohibition of Foreign Garbage for the 2018-2020”</p> <p>A consultant was hired to prepare the documents to analysis inconsistency and gaps of domestic laws and regulations dealing with pollution control in PR China and RO Korea including recommendations on legal and regulatory reforms.</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 3 Provinces of the two countries.</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: Level 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>In 2018, MNR 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. The project will support the development of YSLME Biodiversity Conservation Plan 2018-2030. The Korean consultant has completed the review the conservation status in RO Korea of 23 Potential Priority Sites identified by WWF, KMI and KIOST in 2007, and the review is ongoing in PR China by a Chinese consultant.</p> <p>The consultant on MPA planning is developing the concept paper for YSLME MPA network, and the 1st regional workshop on designing a network of MPAs for the YSLME was held on 23-27 July in Seocheon, RO Korea sponsored by National Marine Biodiversity Institute of Korea. Asides from improved understanding of MPA connectivity using biophysical indicators, the workshop had the following findings – 1) The 23 potential priority areas (PPAs) identified in the regional assessment of biodiversity in Yellow Sea necessitates a fresh review of their conservation status; 2) Through the discussions among participants, there are gaps in conservation of known habitats of both spotted seal and spoon-billed sandpiper, and clear need for expanding current network of MPAs for both species; 3) PR China and RO Korea are at different stages of assessing the effectiveness of existing national MPAs, and there are needs to agree on assessment criteria of the effectiveness of YSLME MPA network; and 4) Both PR China and RO Korea seems to be more inclined to refer the conservation and protection of the spawning and nursery grounds of the small yellow croaker to the regional working group on fish stocks which covers the management of these areas.</p> <p>TOR for a study on relationships between the changes of Yellow Sea Cold Water Mass (YSCWM) and structure of plankton communities and development of a Regional Strategy for adaptive management be undertaken by FIO/MNR under a PCA with UNOPS and in collaboration with KIOST of ROK. Thus far, no reports have been submitted by FIO yet.</p> <p>FIO proposed to develop climate change adaptation ICM</p>
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<p>Indicator 4.4: Status of Regional Monitoring Network for application of ECBM</p>	<p>model framework plan. The objective of this consultancy is to develop adaptation strategy of climate change of Dandong via vulnerability assessment of coastal communities and impact assessment of sea level rising.</p> <p>The NMEMC of PR China prepared and submitted the draft monitoring programs of jellyfish, HAB and drifting macroalgal blooms and N/P/Si which were reviewed and recommended for adoption by RWG-A meeting held on June 29, 2018.</p> <p>To improve effectiveness of monitoring, assessment and data sharing on jellyfish and HAB, both countries recommended to establish scientific committee as an advisory group, expecting contribution not only on better coordination of national efforts especially on data sharing but also enhancing effectiveness of regional efforts by maintaining and operating monitoring program in a systematic way.</p>
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1.1 Activity Implementation Status Report

<p>In addition to the above progress, the following activities have been undertaken:</p> <ol style="list-style-type: none"> 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

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	630,290	353,493.57		115,083.71	56%	The second RWG-F Meeting

National Cooperation for Ecosystem-Based Management						was held in Jeju, RO Korea
2. Improved Ecosystem Carrying Capacity with respect to provisioning services	502,282	185,186.97		47,922.76	37%	The stock assessment workshop was organized by YSLME in Tongyoung, RO Korea on 29 July – 1 August
3. Improved Ecosystem Carrying Capacity with respect to regulating and cultural services	534,776	164,157.49		66,229.94	31%	
4. Improved Ecosystem Carrying Capacity with respect to supporting services	1,038,897	396,084.8		108,307.96	38%	MPA Training was organized on 23-27, 2018 in RO Korea
5. Project Management Cost	47,664	72,209.78		18,301.72	151%	
Total	\$2,753,908	\$1,171,132.61		\$355,846.09	43%	

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

3	Stakeholders unwilling to participate	<i>Reducing</i>	Sea Partnership and directed PMO to organize one Yellow Sea Forum each year.
4	Governments unwilling to actively engage the NGO community	<i>Reducing</i>	<p>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 6th EAS Congress. NOWPAP participated in Inception workshop and YSLME has introduced its marine litter program through WebEx with CEARAC focal point meeting.</p> <p>3, Program for SGP is currently being developed to strengthen partnership NGOs in China and RO Korea.</p>
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>	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

			<p>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 the meeting as well.</p>
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

			<p>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.</p>
9	National, Provincial and Local Governments continue to encourage land reclamation.		<p>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.</p>
10	Difficulties in negotiating the joint fisheries stock assessment, causes delay or cancellation	<i>no change</i>	<p>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.</p>
11	Mariculture enterprises unwilling to adopt integrated multi-trophic aquaculture	<i>no change</i>	<p>In addition to studies in China proving the increased productivity in IMTA operations than in monoculture, studies in RO Korea by National Institute of</p>

	(IMTA) in place of monoculture		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

N/A

3.3 Management Recommendations

N/A

3.4 New opportunities/Initiatives

N/A