



UNDP/GEF PROJECT ENTITLED “REDUCING ENVIRONMENTAL STRESS IN THE YELLOW SEA LARGE MARINE ECOSYSTEM”

UNDP/GEF/YS/RSP-PSC.6/10
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English only

Sixth Meeting of the Regional Scientific and Technical Panel And Project Steering Committee For the UNDP/GEF Yellow Sea Project *Xian, China, 17-19 November 2009*

Proposed Budget for 2010

Following the PSC’s decisions at its 5th meeting, and based on the implementation of project activities during 2009 and the financial report prepared by the Project Management Office (PMO) as presented in the “Report of Project Implementation Progress (Document UNDP/GEF/YS/RSP-PSC.6/4a), a revision of the project budget for January to June 2010 was prepared by PMO. The revised project budget is shown in Table 1.

The following factors were considered in the revision of the project budget:

1. Following the decisions from the previous meetings of the PSC, the project ending date was agreed to be 30 June 2010, and the project should reduce its expenditures in order to save appropriate budget for the bridging phase from the project’s 1st phase to the second. 2010 will be mainly the bridging phase for the project. Balances from the activities of the previous years were reallocated to activities for 2010. Positive balances from 2009 activities were used to replenish any overspent of activities in the same year, within the same component; some balances were carried over to the same activities in 2010; or reallocated to other activities, including new activities during the bridging phase.
2. As the SAP is a major delivery of the project and some management actions are being implemented as demonstration activities, it is important to ensure that these activities and other new ones will provide useful experiences and information for, and facilitate the implementation of SAP in Project Phase 2. Thus, savings from previous activities have been re-allocated to carry out some “linking activities” in preparation for SAP implementation (refer paragraph 1 and Document UNDP/GEF/YS/RSP-PSC.6/9).
3. The proposed new activities have no funds allocated in previous budgets. However, considering the importance and necessity of each activity for the successful start and implementation of the 2nd phase of the project, the members of the 6th RSTP/PSC Meeting are requested to review and give their approval of the activities.

4. As discussed by the PSC at its 5th and Second Special Meetings, there is a need to have a smooth transition from project Phase 1 to Phase 2. According to the latest communications among PMO, GEF Secretariat, and UNDP/GEF, GEF funds for Phase 2, if approved by the GEF Council for SAP implementation, may now not be available until 2011. "Bridging costs" have been requested from the participating countries to cover, if agreeable to the PSC, the 2nd half 2010 of project implementation. To facilitate the smooth transition, it necessary to confirm if the bridging costs from countries would be available and the amount available. While the PSC is invited to consider the further extension of the project period to an appropriate time for smooth transition, the governments of the participating countries are invited to cover the full or partial costs of the bridging period.

Table 1. Revised Project Budget for 1st January 2010 to 30th June 2010 (US Dollars).

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