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

UNDP/GEF/YS/RSP-PSC.8/7
Date: 6 September 2012
English only

Regional Experts Workshop on
the Preparation of the Program Framework Document (PFD)
Beijing, China, 18-19 September 2012

and

Eighth Meeting of the Project Steering Committee
For the UNDP/GEF Yellow Sea Project
Beijing, China, 20 September 2012

Revised YSLME Project Identification Form (PIF) for SAP Implementation

PROJECT IDENTIFICATION FORM (PIF) [1]
PROJECT TYPE: (FULL SIZED PROJECT)
TYPE OF TRUST FUND:(GEF TRUST FUND)

PART I: PROJECT IDENTIFICATION

Project Title:	Implementation of the Yellow Sea LME Strategic Action Programme for Adaptive Ecosystem-Based Management		
Country(ies):	China, ROK	GEF Project ID:[2]	4343
GEF Agency(ies):	(UNDP) (select) (select)	GEF Agency Project ID:	4552
Other Executing Partner(s):	UNOPS	Submission Date:	
GEF Focal Area (s):	International Waters	Project Duration (Months)	48
Name of parent program (if applicable): For SFM/REDD+ ☐		Agency Fee ($):	680,619

A. FOCAL AREA STRATEGY FRAMEWORK[3]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Indicative Financing from relevant TF (GEF,LDCF,SCCF) ($)	Indicative Co Financing ($)
	Others			
Project management cost[4]				
Total project costs			0	0

Add Row

B. PROJECT FRAMEWORK

[1] It is very important to consult the PIF preparation guidelines when completing this template.
[2] Project ID number will be assigned by GEFSEC.
[3] Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.
[4] GEF will finance management cost that is solely linked to GEF financing of the project.

Project Objective: **To achieve adaptive ecosystem-based management of the Yellow Sea (YS) by fostering long-term sustainable institutional, policy and financial arrangements in accordance with the YSLME Strategic Action Programme (SAP)**					
Project Component	**Grant Type (TA/INV)**	**Expected Outcomes**	**Expected Outputs**	**Indicative Financing from relevant TF (GEF,LDCF, SCCF)($)**	**Indicative Co Financing ($)**
1. Sustainable Regional and National Cooperation for Ecosystem-Based Management	(TA)	1.1 Regional governance structure, the YSLME Commission established, operational and sustained 1.2. Improved inter-sectoral coordination and collaboration at national level 1.3 Wider participation in SAP implementation fostered through capacity building and public awareness 1.4 Improved compliance with regional and international treaties, agreements and guidelines 1.5 Sustainable financing for regional collaboration on ecosystem-based management secured based on cost-efficient and eologically-effective actions	a) Regional agreement to establish the YSLME Commission, Management Science and Technical Panel (MSTP) and Regional Working Groups (RWGs); meetings convened and reports published; national and regional policies drafted and implemented b) National level agreements regarding ecosystem-based management actions, policies, regulations and standards promulgated, as appropriate c) At least 15 agreements with partners on overall environment co-operation and management, relevant fishery management, marine habitat conservation and pollution reduction, at both national and regional levels; cross sector partnerships established and operational. d) Enhanced national and regional legal instruments to comply with regional & global treaties, agreements and guidelines e) National public awareness in support of YSLME SAP achieved; data and information collected; jointly managed	1,970,043	2,482,508

			databases; publicly accessible information for implementing management plans at the regional, national and local levels f) Transfer of lessons, experiences and best practices between local sites g) Training of at least 10 stakeholder groups on public participation on relevant management actions, in particular on fishery management, marine habitat conservation and economic assessment h)Periodic economic assessments of costs and ecological effectiveness i) Sustainable financing agreed; at least 150% increase in government financing for regional collaboration		
2. Improved Ecosystem Carrying Capacity with Respect to Provisioning Services	TA	2.1Recovery of depleted fish stocks as shown by increasing mean trophic level 2.2 Enhanced stocks through restocking and habitat improvement 2.3 Enhanced and sustainable mariculture production by increasing productivity per unit area by around 10% as a means to ease pressure on capture fisheries	a)Reduction of fishing by around 10% in demonstration sites through e.g. vessel buy-back schemes over the project duration b)Provision of alternative livelihoods to fisher folks taking into account the contribution of women c)Science-based management of fisheries and mariculture d)Widespread practice of sustainable mariculture where appropriate e)Adoption of integrated multi-trophic aquaculture (IMTA) where appropriate	1,437,606	19,020,886

3. Improved Ecosystem Carrying Capacity with respect to Regulating and Cultural Services	TA	3.1 Ecosystem health improved through reductions in pollutant (e.g., N) discharge from land-based sources of around 10% over the project duration 3.2 Wider application of pollution-reduction techniques piloted at the demonstration sites 3.3. Strengthened legal and regulatory process to control pollution 3.4 Marine litter controlled at selected locations	a)Reduced pollutant levels, e.g. reduce 10% N discharge every 5 yrs, by enforcement and control in demonstration sites b)New and innovative techniques for pollution reduction (e.g. artificial wetlands) applied at demonstration sites c)Strengthened legal instruments and better regulatory processes to control pollution d) Procedures in place to control and remove marine litter at demonstration sites e) Enhanced data and information regarding sources and sinks of contaminants	1,155,411	156,366,481
4. Improved Ecosystem Carrying Capacity with respect to Supporting Services	TA	4.1Maintenance of current areas of habitats through relevant management actions (e.g. the Total Quantity Control of Reclamation) to strictly control land reclamation.(no new permissions granted for coastal zone reclamation) 4.2 Stronger regional MPA network established and functioning 4.3 Adaptive management mainstreamed to enhance the resilience of the YSLME and reduce the vulnerability of	a)Agreement at all levels to to implement the relevant management actions.avoid new coastal zone reclamation projects b)MPA networks (covering approx. 544,800 ha) strengthened in the YSLME c)Regional strategies adopted and goals agreed; site-based ICM plans enhancing climate resilience in place for selected sites in YSLME; conservation areas and habitats for migratory species identified d)Public awareness of Yellow Sea environmental problems enhanced; strong local support for and awareness of	2,440,639	19,816,587

		coastal communities to climate change impacts on ecosystem processes and other threats identified in the TDA and SAP 4.4. Application of Ecosystem-based Community Management (EBCM) in preparing risk management plans to address climate variability and coastal disasters	demonstration activities e)Established monitoring network; regular basin-wide assessments; enhanced information exchange; periodic scenarios of ecosystem change		
Subtotal:				7,003,669	216,707,348
Project management cost[5]				558,731	9,174,418
Total project costs				7,562,430	225,881,766

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount ($)
National Government	China	Grant	9,812,480
(select)		In-kind	82,842,580
National Government	ROK	Grant	16,973,332
		In-kind	112,361,374
GEF Agency	UNDP	Grant	2,092,000
		Grant	1,800,000
(select)		(select)	
(select)		(select)	
Total Co-financing			225,881,766

D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)1

GEF AGENCY	TYPE OF TRUST FUND	FOCAL AREA	Country name/Global	Project amount (a)	Agency Fee (b)[2]	Total c=a+b
UNDP	GEF TF	International Waters	China	7,562,430	680,619	8,243,049
	(select)					0
	(select)					0
	(select)					0

[5] Same as footnote #3.

Total GEF Resources	7,562,430	680,619	8,243,049

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

[2] Please indicate fees related to this project as well as PPGs for which no Agency fee has been requested already.

PART II: PROJECT JUSTIFICATION

A. **Description of the consistency of the project with**:	
A.1.1 The GEF/LDCF/SCCF focal area strategies:	This project is consistent with GEF's International Waters strategy as described in the Final GEF-5 Programming Document (GEF/R.5/25/CRP.1). Objective 2 aims to catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and LMEs while considering climatic variability and change. The proposed project is well-aligned with the outcomes and targets of Objective 2, in particular Outcome 2.1 as well as Outcomes 2.2, 2.3 and 2.4. The project focuses on the implementation of the YSLME SAP that has been endorsed by all the YS countries. The SAP is anchored on ecosystem-based approaches to the management of the YSLME. The proposed creation of the YSLME Commission will address the needs for multi-lateral institutions and programmes of action to enhance fish stocks, encourage the implementation of the Code of Conduct for Responsible Fisheries, engage the fishing and mariculture industries in sustainable management solutions that provide profit to these stakeholders, while avoiding negative impacts on the Yellow Sea marine ecosystem. Innovative measures to reduce nutrient loads will be undertaken, in fulfilment of the articles in pollution-related conventions; through translating monitoring results into policies and providing mechanisms to exchange data among agencies and across borders. IW-Objective 2 is closely linked to protection of critical habitats through improving and/or establishing management plans and marine protected areas. With the proposed Regional Monitoring Network, regular monitoring of the impacts of pollutants on habitats, surrounding areas, and assessment of affected stakeholders will be covered and the project will utilize ecosystem-based approaches and adaptive management schemes to manage these transboundary water problems. The potential impacts of, and adaptation to climate change will be embedded in the management actions directed towards ecosystem carrying capacity as the central theme of the project. The project will also deliver additional outcomes such as enhanced public awareness, strengthened stakeholder capacity to carry out actions, and institutional sustainability that ensures the SAP and the Commission will be self-sufficient in the long-term. The involvement of all coastal countries in the YS (with DPRK as observer in the Project Steering Committee), will contribute to regional environment management, as well as regional peace and stability.
A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:	n/a
A.2. National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e.	The countries' approval of the SAP and development of National SAPs demonstrate their willingness and commitments to better manage the YS ecosystem, using the regional SAP as a guide. Many targets listed in the SAP are included in the nationally-approved action plans that apply to the entire country (e.g. a 30% reduction in fishing boats over the next 20 years) underscoring the catalytic impacts of the YSLME SAP. In order to ensure consistency with national plans, the Chinese National SAP is included in the next 5 year national development plan and the ROK National SAP is implemented within the national framework. The

NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:	establishment of the YSLME Commission also illustrates the willingness of the region to examine how to improve governance issues to support the technical management actions required to enhance the health of the Yellow Sea. The countries are already signatories to many global environmental international and bilateral treaties and agreements, and will continue to operate the Inter-ministerial Co-ordinating Committees in order to better harmonise policies and communication between the various government agencies for effective SAP implementation. This proposed project and the YSLME SAP Implementation Facility will co-ordinate the interactions and linkages among scientific research, ecosystem-based management, legislation and policy-making to ensure that the YS continues to provide ecosystem services to the countries and the region.
B: Project Overview:	
B.1. Describe the baseline project and the problem that it seeks to address:	The semi-enclosed nature of the Yellow Sea (YS) and the rapid economic development of the surrounding areas have resulted in an increasingly polluted and over-exploited sea. This large marine ecosystem (LME) faces major transboundary problems, including: fisheries depletion resulting from the dramatic increase in fish landings that has grown from 400,000 tonnes to 2.3 million tonnes in the past 20 years; continuing increases in the discharge of pollutants; changes to ecosystem structure and functions leading to an increase in jellyfish and harmful algal blooms; and a 40% loss of coastal wetlands from reclamation and conversion projects representing a major loss of habitat for many species resulting in a significant degradation of biological diversity. On top of these immediate threats lie the potential impacts of climate change such as sea level rise and the changes in basin circulation and the extent of the Yellow Sea Cold Water Mass. The Transboundary Diagnostic Analysis (TDA, 2008) for the YSLME and the associated causal chain analysis provide an analysis of the root causes of the environmental issues and problems of the Yellow Sea and identify the priorities for management action. Nine transboundary environmental concerns have been identified that fall into five major problem groupings. The effects of these problems are synergistic and compounded since for example fish catch is not only impacted by overfishing, but by loss of important habitats, land-based pollution impacts on water quality, and by the environmental impacts of improper mariculture activities in the coastal zone. Addressing these issues and problems therefore requires an ecosystem-based approach to their management as detailed in the Strategic Action Programme (2009). Through their endorsements and support for the TDA and SAP that were formulated in the first phase of the project, the participating countries have recognised that scientific knowledge needs to be translated into policy, legal and management actions for the entire region and not restricted to each nation, as environmental problems are not limited by geographic boundaries. The SAP identifies 11 tangible regional targets aimed at maintaining the YSLME's capacity to provide the four ecosystem services (provisioning, regulating, cultural and supporting) to the region and beyond. It provides adaptive ecosystem-based management actions to reach these targets. **Government Contributions to the Baseline Project:** The YSLME countries have jointly committed over $221.99 million towards achieving the priority commitments made in the SAP (see Annex). For ecosystem-based fishery management, the SAP commitment is to reduce 25-30% fishing effort in the coastal countries of the Yellow Sea through vessel buy-back and retraining, stock assessments, etc., valued at $19.02 million. For pollution reduction, the SAP commitment is to reduce nutrient discharges from the Yellow Sea countries by 10% every 5 years through enhanced wastewater treatment, reducing fertilizer use and industrial discharges, etc., valued at $156.36 million. For biodiversity conservation, the main commitments of the SAP are to protect coastal habitats, establish regional MPA network, and promote civil society participation in the coastal countries of the Yellow Sea, valued at $19.81 million. Under the SAP, the countries have also committed to the establishment of a permanent YSLME Commission. The major function of the Commission

	will be to oversee joint actions to address the transboundary issues as well as ensure coordination of complementary national actions. It will ensure achievement of regional targets through the implementation of the "on-the-ground" management actions, including capacity building activities, stakeholder participation and public awareness activities, all of which are documented in the SAP. The Commission will, at a later stage, become self-sufficient and sustainable through establishment of appropriate financial mechanisms that will be mutually agreed by the countries. **UNDP Contributions to the Baseline Project:** With the Yellow Sea LME UNDP-GEF project largely completed, UNDP's Ocean Governance Programme has mobilized $0.4 m. of (non-GEF) resources and commenced implementation of a key baseline project aimed at consolidating key results and outcomes from the GEF YSLME IW project. This baseline project is supporting a number of critical activities that will enable the successful commencement of SAP implementation through the subject project of this PIF, including: facilitating final discussions and negotiations with China and R. of Korea governments on the project framework for the YSLME SAP Implementation project; consultative meetings on the relevant issues regarding the establishment of the YSLME Commission; regional workshop on mainstreaming economic considerations in the ecosystem-based approach; regional Forum on involvement of local government in the relevant management actions on fishery management; finalizing, editing and publishing the reports of the 21 SAP demonstration activities, the co-operative cruises, and the reports on the regional fishery stock assessment; and preparing, finalizing and publishing a summary book to summarize the outcomes and outputs of the project, and the new knowledge generated during the project. Additional UNDP contributions to the baseline project under the Pollution Control component of the YSLME SAP include the Improved Water Resources Management and Drinking Water Safety in Rural Regions of China (WRM) project ($ 2.092 millions). A series of sound water resources management, drinking water safety and environmental protection technologies are being offered, including efforts to build up policy mechanisms to support improved water resources management and drinking water safety. One of the four demonstration areas under the WRM project (in Liaoning province) is part of the Yellow Sea drainage basin and aims at improving access to safe drinking water in a target community in Shenyang city of Liaoning province. This contribution to the baseline project, by improving drinking water safety (through improved basin management, water treatment, policy development, communications/awareness, etc.) is in turn reducing pollution into the Liao and Hun rivers which drain to the Yellow Sea which supports implementation of the transboundary pollution component of the YSLME SAP.
B. 2. *Incremental /Additional cost reasoning*: describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated *global environmental*	**Incremental Reasoning.** The GEF funding will: enable regionally co-ordinated implementation of the SAP through the YSLME SAP Implementation Facility (IF), and in the longer term through establishment of the YSLME Commission; facilitate participation of all the coastal countries; and foster the removal of sectoral barriers to integrated management of ecosystem carrying capacity. The Yellow Sea represents a marine environmental resource shared across at least 3 national boundaries. GEF involvement is critical in overcoming the geopolitical complexities and potential conflict among resource users in the Yellow Sea, through the YSLME SAP IF, that is the only body capable of coordinating the implementation of the SAP. The current sectoral management of the marine environment in the countries bordering the Yellow Sea prevents implementation of co-ordinated, integrated and ecosystem-based management as defined in the SAP. GEF assistance in the institutional, policy and management reforms will move the process from the business-as-usual approach to integrated management across sectors. Managing to improve ecosystem carrying capacity

benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:	will be a novel process for the region to engage in, and there is an urgent need to move the region's perception of marine environmental management in this direction. As a result of the SAP implementation, the capacity of individual agencies to play a pivotal role in facilitating more holistic, ecosystem-based management will be improved. Use of GEF resources together with UNDP and national financial commitments will also support the sharing of experiences and lessons-learned on national and regional scales, ultimately aimed at increasing the replication potential for the project's impacts. The above justification for GEF support is supported by the significant progress in the first phase of the project, whereby an effective intergovernmental mechanism has shown strong political support through dialogues, negotiations and decision making by the countries at the inter-ministry level. The adoption of internally-accepted procedures and practice in inter-governmental negotiations is a major contribution of the GEF in building regional cooperation particularly among the YSLME countries. The GEF support will ensure monitoring and evaluation to assess the effectiveness of the management actions particularly at the regional (LME) level. The GEF support will establish a regional network to which the participating countries have attached high priority as shown by the approximate US$ 387 million they have allocated in support of related activities. Along the line of critical regional activities, the GEF support will ensure the establishment of a YSLME Commission, which will ensure the long-term cooperation among the riparian countries. The Commission will be the formal regional coordination mechanism that is envisioned to build mutual trust and help in securing regional stability. GEF funding will be catalytic in generating the substantial cofinancing from the riparian countries as in the case of the vessel-buy-back SAP commitments in China and ROK which require regional cooperation and would not proceed from unilateral action. The GEF's involvement will ensue not only effective co-operation between the participating countries but also act as necessary condition for the governments to provide co-financing resources for the implementation of the scheme and the entire SAP. Implementation of YSLME SAP will also support implementation of the "Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)" at the sub-regional level. This will provide valuable benefits to strengthen regional infrastructure established under GEF's efforts. **Global Environmental Benefits.** Under the guidance of the proposed project, it is expected that the global environmental benefits would include: restoration of globally important fisheries by reducing within four years up to around 10 % of the current fishing effort; increased uptake of innovative (IMTA) sustainable mariculture techniques in a region responsible for 1/3 of global mariculture production; improved management of globally significant habitats for migratory birds and mammals; decreased eutrophication through reduction in nutrient discharges of about 10% after the 4-year project duration; and thus, significant progress towards restoration of ecosystem carrying capacity. The project will report annually using the IW Tracking Tool to monitor the delivery of global environmental benefits. The project's unique approach to formulating a SAP based on ecosystem services (in the first phase) can serve as a model for other LMEs that are developing SAPs, and in this proposed second phase, the approach could similarly be a model for effective regional LME management that encompasses science and governance.

<table>
<tr><td>B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits(GEF Trust Fund) or adaptation benefits (LDCF/SCCF). As a background information, read Mainstreaming Gender at the GEF.":</td><td>Socioeconomic benefits for the target communities in the riparian countries will be realized from a number of interventions proposed in the project. It is expected that the incomes of fishermen will improve in the medium to the long-term as overfishing is effectively addressed through the vessel buy-back schemes. At the same time, alternative livelihoods will be provided primarily to displaced fishermen to soften the impacts of the buy-back scheme. The adoption of integrated multi-trophic aquaculture (IMTA) will improve production and incomes. Improved production from both aquaculture and capture fisheries will also come from the protection of habitats through the MPA network and the improvement of water quality through pollution reduction. Based on the experiences obtained from the demonstration projects, substantial economic valuation activities have been planned to assess the economic benefits of the management actions identified in the YSLME SAP.

Gender will be mainstreamed in this project through the active engagement of women to optimize the impacts of the interventions. For instance under component 2 the contribution of women in household income will guide the provision of alternative livelihoods and the development and implementation of IMTA. In component 3, the role of women will be harnessed in formulating procedures to control and remove marine litter at demonstration sites, in recognition of the role of women in managing household waste that could find its way in coastal waters. The collection of information will also be gender sensitive to the extent possible to ascertain the role of women in the environmental management. The project will seek and engage women experts in constituting the local, national and regional scientific committees and in the project management team.

The socioeconomic benefits and gender mainstreaming will serve to strengthen the impacts of the interventions on the management of the Yellow Sea LME. There is a mutually reinforcing effect between and among the objectives of improving the environment, optimizing economic benefits and improving the role of women in project formulation and implementation.</td></tr>
<tr><td>B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:</td><td>
<table>
<tr><th>Risk</th><th>Risk Type</th><th>Risk Mitigation Measures</th></tr>
<tr><td>Potential conflicts between the participating countries could occur over project resources and the use and management of the shared resources of the Yellow Sea LME.</td><td>Political</td><td>This risk is considered medium-low, as ROK and China have had experience in conflict resolution through negotiations such as the successful implementation of co-operative cruises of the YSLME project.
With the countries' signatures agreeing to co-operate in the SAP and a YSLME SAP Implementation Facility overseeing SAP implementation, any conflicts should be resolved at a high policy level through regional co-operation.</td></tr>
<tr><td>Lack of governance reforms might prevent implementation of management actions and impede the objective of sustaining ecosystem carrying capacity.</td><td>Operational</td><td>This is considered a low risk. Governance analyses have been carried out in Project Phase I and governance-related management actions are recommended in the SAP to ensure effective implementation of governance reforms. Governance reforms will support long-term sustainability of the Commission and the entire ecosystem-based management process.</td></tr>
<tr><td>Environmental variability and climate change could alter ecosystem functions and reduce ecosystem services.</td><td>Environmental</td><td>This is considered low risk. An SAP demonstration activity has already been carried out to evaluate the impacts of climate variability and change on the YS, and its full implementation is scheduled under the proposed project. The Commission will guide adaptive management to meet such global changes.</td></tr>
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<table>
<tr>
<td>B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:</td>
<td>
The major government stakeholder institutions include:
<table>
<tr><td>People’s Republic of China</td></tr>
<tr><td>Ministry of Foreign Affairs</td></tr>
<tr><td>Ministry of Finance</td></tr>
<tr><td>State Oceanic Administration</td></tr>
<tr><td>Ministry of Environment Protection</td></tr>
<tr><td>Ministry of Communication</td></tr>
<tr><td>Ministry of Agriculture</td></tr>
<tr><td>Provincial and Municipal Governments</td></tr>
<tr><td>Republic of Korea</td></tr>
<tr><td>Ministry of Foreign Affairs and Trade</td></tr>
<tr><td>Ministry of Land, Transport and Maritime Affairs</td></tr>
<tr><td>Ministry of Food, Agriculture, Forestry and Fisheries</td></tr>
<tr><td>Ministry of Environment</td></tr>
<tr><td>Ministry of Unification</td></tr>
</table>

Other stakeholders including parliamentary organisations, international NGOs such as WWF and local ones together with private sector groups such as mariculture associations have participated in the regional governance less actively than other stakeholder groups to date and their continuing participation will be sought in the next phase. In the ROK, NGOs such as Birds Korea; Citizens Institute for Environmental Studies, the Eco-horizon Institute, Korea Marine Rescue Center, Shihwa Lake Saver, and the PGA Wetlands Ecology Institute, and in China the Global Village of Beijing, have all undertaken activities during the first phase under the small grants programme. Incorporation of stakeholders into the various decision-making systems related to marine resource management, coastal zone management, pollution management and other aspects of SAP implementation will be encouraged. At the national level co-ordination between scientists, managers, fishermen, farmers, and government officers will be pursued.

Several international organisations have participated in the past in aspects of regional governance. UNDP has actively participated in the regional governance mechanisms while UNEP has been involved through the Regional Seas Programme and NOWPAP and the IMO through the operation of the various phases of PEMSEA.

The scientific and academic communities will continue to participate at both the regional and national levels in conducting aspects of the regional analyses and in providing scientific and technical advice to the political decision makers represented in the Project Steering Committee and in the Yellow Sea Large Marine Ecosystem Commission that will be established.
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<td>B.6. Outline the coordination with other related initiatives:</td>
<td>
The project will co-ordinate its activities with other on-going endeavours in the region namely: Northwest Pacific Action Plan (NOWPAP) as part of the UNEP regional seas programme; implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) through the Partnership for Environmental Management of the Seas of East Asia (PEMSEA); and the Yellow Sea Eco-region Support Project (YSESP) by WWF and Korea Ocean Research and Development Institute in order to avoid duplication of efforts and to share resources working towards a common goal of appropriate governance for ecosystem-based adaptive management. Co-ordination with these programmes will ensure synergy with other GEF and non-GEF activities. In addition, as fisheries and pollution management (e.g. monitoring jellyfish blooms) in neighbouring geographic areas will have impacts in the Yellow Sea, wherever possible, the project will collaborate on transboundary and management issues in the wider geographic area extending to nearby seas and countries.

As a part of the programmatic approach in the EAS region, the YSLME project will closely work together with other projects, e.g. Sustainable Management of Highly Migratory Fish Stocks in the West Pacific and East Asian Seas, Arafura and Timor Seas Ecosystem Action Program:
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	Participation of Papua New Guinea, and PEMSEA. As one of the several projects in the GEF IW portfolio that will progress from TDA/SAP formulation to implementation, the project could provide valuable lessons to similar projects that are about to go through these GEF 'foundational' processes, e.g., Sulu-Celebes Seas and Arafura-Timor Seas in the Asia Pacific region and other LMEs in other parts of the world. The project will thus actively engage in knowledge sharing primarily through IW:LEARN and through other fora. The Project will set aside about 1% of the GEF project budget to support IW LEARN activities, such as: set up and run a project website consistent with the IW LEARN guidance and tool kit; participation of project staff in IW LEARN activities (IWC's and relevant regional conferences); and production of at least 2 project experience notes. Wider co-ordination between partners, stakeholders, NGOs, and regional and global initiatives is inherent to project implementation. The "Yellow Sea Partnership (YSP)", with about 20 members, has been a distinctive feature of the 1st phase of the YSLME Project's achievements. Activities implemented with parliamentary organisations, local government officers and NGOs have increased stakeholder involvement in the project and will continue under the proposed project, by engaging all sectors into the management processes, including allowing stakeholders to take the lead in implementing actions under their geographical jurisdiction.
C: Describe the GEF agency's comparative advantage to implement this project:	UNDP's Strategic Plan for 2008-2013 approved by the UNDP Executive Board includes *Managing Energy and the Environment for Sustainable Development* (Goal 4), and includes the outcome *Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems.* UNDP has taken further internal steps to operationalize the mainstreaming elements of the Strategic Plan at a subsidiary level through its **Water Governance Strategy** endorsed by the UNDP Management Group in 2007. The Water Governance Strategy for includes as one of its three Strategic Priorities **Regional and Global Cooperation** and the associated Outcome, *Enhanced regional and global cooperation, peace, security and socio-economic development through adaptive governance of shared water and marine resources,* and the principal Output, *Assist countries to develop and implement cooperation on transboundary waters through multi-country agreements on priority concerns, governance reforms, investments, legal frameworks, institutions and strategic action programmes.* Notably, UNDP's work on improving governance of shared water and ocean resources incorporates both freshwater and marine waterbodies and has for some time applied a "ridge-to-reef" approach recognizing the freshwater-marine continuum and important linkages between upstream water and land management and the health and integrity of downstream coastal and marine ecosystems. The YSLME, with over 600 million people living in the drainage basin and major challenges with both land-based pollution and ocean-based ecosystem stressors, represents an ideal setting for piloting and refining such basin-wide approaches to marine ecosystem restoration. Underscoring this approach is UNDP's poverty reduction mandate and commitment to preserving and enhancing food security and livelihoods of the nearly 1 billion people who depend on healthy, functioning marine ecosystems like the YSLME. In managing its LME and transboundary fisheries programmes, UNDP's Ocean Governance Programme (www.undp.org/water/ocean-coastal-governance.shtml) draws on a wide range of staff expertise in marine ecosystems, fisheries and marine/coastal resources management at HQ, in its Regional Centers, and through its network of Country Offices. Senior advisors at HQ and in regional centers all have relevant Ph.D.'s (fisheries economics, marine biology, environmental management/policy, marine resource economics, etc.). UNDP's cumulative LME portfolio, working in 11 different LMEs in all 5 UNDP regions covering over 100 countries, represents $528 m. in total financing from GEF, UNDP, governments, donor

	partners and others. This represents the largest investment of any kind in advancing the sustainable, integrated, ecosystem-based management of LMEs, from which over 85% of the world's fisheries are harvested, which contribute $12.6 trillion/year in goods and services to the global economy, and which provide livelihoods for nearly half a billion people, many in the world's poorest countries. In terms of implementing GEF IW projects, UNDP has consistently delivered results through a broad range of international transboundary water interventions including the high-level adoption of 17 SAPs (8 in LMEs), eight of which are currently being implemented. In addition to providing vital technical, financial and capacity building support for the establishment of the world's first post UN Fish Stocks conservation and management organization for highly migratory fish stocks, the Western and Central Pacific Fisheries Commission (WCPFC), UNDP has strengthened or established 20 multi-country marine/coastal, river and lake basin management agencies or commissions including establishment of the world's first two LME commissions, the Benguela Current and Guinea Current LME Commissions. Lastly, UNDP builds on both its field presence in the two countries of the YSLME – China and Republic of Korea (ROK) and with its partner organizations in the two countries. In addition, the project will be directly supported by an experienced UNDP Regional Technical Advisor based in the region and by the UNDP Principal Technical Advisor at UNDP Headquarters with responsibility for global oversight of the UNDP Ocean Governance programme.
C.1 Indicate the co-financing amount the GEF agency is bringing to the project:	UNDP's Ocean Governance Programme has mobilized $0.4 million in (non-GEF) resources and commenced implementation of a baseline project aimed at consolidating key results and outcomes from the GEF YSLME IW project (see II.B.1). This baseline project is supporting a number of critical activities that will enable the successful commencement of SAP implementation through the subject project of this PIF. Additional UNDP co-financing is provided by the Improved Water Resources Management and Drinking Water Safety in Rural Regions of China (WRM) project ($1.692 m). The project seeks to improve human development outcomes among targeted groups through strengthening institutional support mechanism and linkages to facilitate and encourage needs-based responses at the community level. A series of sound water resources management, drinking water safety and environmental protection technologies are being offered, including efforts to build up policy mechanisms to support improved water resources management and drinking water safety. One of the four demonstration areas under the WRM project (in Liaoning province) is part of the Yellow Sea basin and aims at improving access to safe drinking water in a target community in Shenyang city of Liaoning province. This contribution to the baseline project, by improving drinking water safety (through improved basin management, water treatment, policy development, communications/awareness, etc.) is in turn reducing pollution into the Liao and Hun rivers which drain to the Yellow Sea. Pollution, particularly nutrients from poorly or untreated wastewater discharges and agriculture, is one of the priority transboundary problems identified in the YSLME TDA and addressed through the YSLME SAP. The project that is subject of this PIF thus builds on this and the other contributions to the baseline project by promoting a comprehensive, integrated, ecosystem-based approach to restoration of the highly degraded Yellow Sea.
C.2 How does the project fit into the GEF agency's program (reflected in documents such	This project supports the UNDAF for China (2011-2015) through its contribution to the following UNDAF outcomes: a) Outcome 1: Government institutions and other stakeholders ensure environmental sustainability, address climate change, and promote a green, low carbon economy. Of relevance are outcome 1.2: Policy and implementation mechanisms to manage natural resources are strengthened, with special attention to poor and vulnerable

as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:	groups, and outcome 1.3: China's vulnerability to climate change is better understood and adaptation responses are integrated into Government policy. b) Outcome 3: China's enhanced participation in the global community brings wider mutual benefits. The relevant specific outcomes are Outcome 3.1: International conventions, treaties and compacts are implemented; Outcome 3.2: China's response to regional issues is enhanced. The project will be supported through the UNDP Asia Pacific Regional Office in Bangkok, Thailand through the Regional Technical Advisor for Marine, Coastal and Island Ecosystems. UNDP has a strong country office in China. The project will draw from the country offices in the coordination of project activities in these countries. The regional project office hosted by the Republic of Korea (ROK) will be maintained in this phase of the project and will serve as the primary link with ROK. A communication office is envisioned to be established in China to provide the communication needs of the project as well as serve as the frontline for project activities in China.

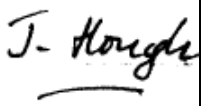
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter(s) with this template).

NAME	POSITION	MINISTRY	DATE *(MM/DD/YYYY)*
Ms. Jiandi YE	Director, IFI Division III, International Department, GEF National Operational Focal Point	MINISTRY OF FINANCE, PEOPLE'S REPUBLIC OF CHINA	**03/04/2011**

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	**Signature**	**Date *(MM/DD/YYYY)***	**Project Contact Person**	**Telephone**	**Email Address**
John Hough, UNDP-GEF Deputy Executive Coordinator	J. Hough	9 September 2010	Jose Erezo Padilla	+66 (2) 288 2730	jose.padilla@undp.org
John Hough, UNDP-GEF Deputy Executive Coordinator	J. Hough	RE-SUBMISSION 14 March 2011	Jose Erezo Padilla	+66 (2) 288 2730	jose.padilla@undp.org

John Hough, UNDP-GEF Deputy Executive Coordinator		RE-SUBMISSION 10 May 2011	Jose Erezo Padilla	+66 (2) 288 2730	jose.padilla@undp.org

Annex

DISTRIBUTION OF NATIONAL CO-FINANCING RESOURCES

This annex table provides a breakdown of the total project budget by major activity. From the table, the following may be observed. The breakdown of some of the funds, particularly for China is not available at time of finalization of this PIF. This information will be provided at CEO endorsement.

(i) For fishery management, the main target of the SAP is to reduce 25-30% of the fishing effort in the coastal countries of the Yellow Sea. In order to achieve this management target, the governments of the participating countries intend to allocate over US$ 3.6 billion as co-financing,with the bulk coming from China reflecting the current overfishing situation.

(ii) For pollution reduction, the main target of the SAP is to reduce 10% nutrient discharge every 5 years from the coastal countries of the Yellow Sea. In order to achieve the management target, the governments of the participating countries are allocating over US$ 5.6 billion as co-financing, with 60% accounted for by China and the remainder by ROK.

(iii) For biodiversity conservation, the main target of the SAP is to protect coastal habitats and establish regional MPA network in the coastal countries of the Yellow Sea. In order to achieve the management target, the governments of the participating countries are programming over US$ 1.58 billion in co-financing, with China providing most of these resources.

The level of co-financing resources is relatively huge compared to similar projects in the GEF portfolio. Despite the considerable co-financing, GEF support is still critical in making this happen. The discussion of the incremental reasoning for GEF support is found in section B.2.1 and the main points are highlighted here. The GEF funding will enable regionally co-ordinated implementation of the SAP through the YSLME SAP Implementation Facility; and foster the removal of sectoral barriers to integrated management of ecosystem carrying capacity. GEF assistance in the institutional, policy and management reforms will move the process from the business-as-usual approach to integrated management across sectors. Managing to improve ecosystem carrying capacity will be a novel process for the region to engage in, and there is an urgent need to move the region's perception of marine environmental management in this direction. As a result of the SAP implementation, the capacity of individual agencies to play a pivotal role in facilitating more holistic management will be improved. The use of GEF resources together with national financial commitments will also support the sharing of experiences and lessons-learned on national and regional scales, ultimately aimed at increasing the replication potential of the project impacts.

Annex Table. Breakdown of Major Cofinancing by Country and Activity

Areas	Activities	China	ROK	Sub-Total
Regional Fishery Management	Identification of boats; buy back; and decommissioning	5,025,000	56,875,000	61,900,000
	Increase Tourism opportunities	16,720	58,756,660	58,773,380
	Technical retraining programmes	150,000	7,820,833	7,970,833
	Joint regional stock assessments	556,000	3,487,500	4,043,500
	Artificial reefs deployment	100,000	4,791,667	4,891,667
	Others (to be classified at CEO endorsement)*	3,472,633,850	28,091,173	3,500,725,023
Sub-total		**3,478,481,570**	**159,822,833**	**3,638,304,403**
Pollution Control and Regional Monitoring & Assessment Network	Establish regional pollution monitoring guideline and network based on any exsiting ones	350,000	33,065,000	33,415,000
	Evaluation of facilities and equipment to control/reduce discharge from industrial and municipal sources	90,000	164,115,000	164,205,000
	Improve control mechanism of pollution from point sources	1,000	183,845,000	183,846,000
	Improve regional strategy for oil spill	6,720	5,622,500	5,629,220
	Implement improvement of wastewater & sewage treatment facilities	50,000	1,231,880,833	1,231,930,833
	Support for monitoring & reducing atm-based sources	120,000	41,402,500	41,522,500
	Support for monitoring, reducing, & improving fertiliser use	225,000	544,080,000	544,305,000
	Support for monitoring & reducing sea-based sources	32,800	10,442,500	10,475,300
	Implementation of reducing nutrient discharge activities	30,000	5,865,000	5,895,000
	Improve capacity in disease diagnoses	2,940	5,782,500	5,785,440
	Others (to be classified at CEO endorsement)*	3,384,289,528	14,078,747	3,398,368,275
Sub-Total		**3,385,197,988**	**2,240,179,580**	**5,625,377,568**
Biodiversity Conservation	Regional evaluation of implementation of CBD and RAMSAR convention and country reports within the YSLME	21,400	2,491,667	2,513,067
	Develop explict goals in the form of regional habitats and species targets and a biodiversity conservation plan in implementation of CBD, Ramsar and other conventions	11,400	2,514,166	2,525,566
	Analysis of country coastal management guidelines, identification of conservation areas according to planning zones.	13,400	2,152,500	2,165,900
	Identification of habitats of selected migratory species at the regional level	26,200	4,791,667	4,817,867
	Sponsoring of network of NGOs to work together to promote Public Awareness	16,720	3,600,000	3,616,720
	Make assessment on the trend of the introduced species in the region	47,280	1,000,187	1,047,467
	Monitoring the impacts	1,000,000	2,130,000	3,130,000
	Others (to be classified at CEO endorsement)*	1,560,675,280	6,433,445	1,567,108,725
Sub-Total		**1,561,811,680**	**25,113,632**	**1,586,925,312**
Others components		1,036,760	1,195,748	2,232,508
Project Management cost		8,125,055	2,480,722	10,605,777
Grand Total		**8,434,653,053**	**2,428,792,515**	**10,863,445,568**

*The final distribution of these amounts, including for the other line items, will be provided at CEO endorsements. No breakdown is available for these additional amounts at time of finalization of the PIF.