

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

[July 1, 2019]



Basic Project Information

UNDP Award ID	00074724
UNDP Project ID	00087001
Reporting Period	1 April 2019 – 30 June 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

The project implementation is in full swing during this reporting period, with a fully operational regional project management mechanism and regional working groups, implementation of four Project Cooperation Agreements, subcontracts, staff and consultants in place, and engagement on board of 6 grantee through Yellow Sea Grant Program. The working mechanism in PR China after institutional restructuring is in place to strengthen inter-ministerial coordination in implementation of the project. The commitment of China to the project target of YSLME Commission is attenuated due to the institutional restructuring and a flexible mechanism is being secured with assistance of external consultancy. 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. The loading study in Haizhou Bay of Jiangsu Province provides a good example of managing excessive nutrient loading in coastal areas. 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. The expansion of MPAs for spotted seals and spoon-billed sandpipers are being proactively pursued by the two countries resulting in increased coverage of MPAs. Studies on coastal areas reclamation trends, partner advocacy of implication of coastal habitat loss to ecosystem services led to the decision of Chinese government to suspend reclamation which will enable to maintain the globally important and ecological and biologically significant intertidals in the Yellow Sea. Progressing implementation of project supported studies on climate impact on YSCWM and coastal communities is slow. In terms of partnership, eight civil society organisations, 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 to participate in conservation through conservation agreement with local authorities to contribute to sustainable fisheries, replication of environmentally friendly mariculture techniques, monitoring and reduction of marine litter, and conservation of migratory waterbirds and mammals. The science conference organized by the project will definitely contribute to the update of the TDA and SAP with continued interest of the two countries despite their lack of willingness to establish the YSLME Commission. Project delivery during this period amounted to around 1.5 million USD, yet the balance of 4 million USD justifies the extension of the project for the results to fully materialize. Yet with nearly 60 percent grant pending delivery by end of the project, the project is rated as marginally unsatisfactory in overall performance.

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

1.1 Outcome & Output Progress Report

UNDP SP Indicator(s)

Indicator Description	Progress Report
<p>UNDP Strategic Plan 2014-2017: Outcome 2: citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance</p> <p>Primary Outcome: Output 2.5: Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation.</p> <p>Output indicator 2.5.3: number of countries implementing national and sub-national plans to protect and restore the health, productivity and resilience of oceans and marine ecosystems</p>	<p>The Project approach to achieving compliance of international ocean-related treaties and agreements is through desk review, training, preparation of training modules to synergize implementation of treaties and agreements at LME scale and development of national standards and management measures in both countries. In this regard, the Legal Expert submitted two reports: the assessment report on China’s legal framework in compliance with the international and regional legal instruments for the implementation of SAP in the YSLME Project II and the assessment report of China’s national and local capacity for implementation of international legal documents in the YSLME Phase II Project. The second report provides a review of the national and local capacity in implementation of UNCLOS, CBD, RAMSAR, UNFCCC and FAO Code of Conduct for Responsible Fisheries. The preparation of regional guidelines for incorporating FAO Code of Conduct for Responsible Fisheries (CCRF) in YSLME context is being undertaken by YSFRI. Review of the 10 requirements has been completed and the two countries agreed to descope the 10 requirements for further in-depth analysis of the regulatory framework and management practices. Technical assistance to develop national standards and management measures in line with the regional guidelines of CCRF is not yet initiated. Hosted by Ocean University of China, Korea University and KOEM from ROK and the Project, the International Seminar on the Law and Policy to Promote Regional Ocean Governance in the YSLME Region was organized in 17-18 November 2018 in Qingdao, PRC to enhance the understanding of regional ocean governance (ROG) theory, share information on good ROG practices, and discuss about how to improve the law and policy framework to achieve a more effective governance with more than 50 experts.</p>
<p>UNDP Strategic Plan Secondary Outcome: Output 2.4: Frameworks and dialogue processes engaged for effective and transparent engagement of civil society in national development</p>	<p>Six non-for-profit organizations were engaged with project funding under the Yellow Sea Grant Program, i.e. 1) Beijing Chaoyang District Yongxu Global Environmental Institute (GEI), 2) Blue Ribbon Ocean Conservation Association (BROCA), 3) China Aquatic Products Processing and Marketing Alliance (CAPPMA), 4) Chinese Academy of Fishery Science (CAFS), 5) Institute of Geographic Sciences and Natural Resources Research,</p>

	Chinese Academy of Sciences (IGSNRR) and 6) Shanghai Rendu Ocean NPO Development Center through signing of Grant Support Agreements (GSAs). These partners will complement the project partners by reaching out to the communities for awareness raising, education, monitoring, and facilitation of communities to participate in conservation through conservation agreement with local authorities to contribute to sustainable fisheries, replication of environmentally friendly mariculture techniques, monitoring and reduction of marine litter, and conservation of migratory waterbirds and mammals.
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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>A study on the flexible and innovative options for a sustainable YSLME governance mechanism is ongoing and results will be presented at the ad hoc ICC planned on July 15-16, Qingdao, PRC.</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). Under this circumstance, the MNR issued the notification on the working mechanism under the phase II of the UNDP/GEF YSLME Project that specifies the members of the inter-ministerial coordination committee, expert committee, and adjusted the membership of the NWGs and National Coordinator. The new mechanism includes MNR, MEE, MARA and NFGA as members. Both PR China and the RO Korea held regular meetings of the IMCC right before meetings of the the MSTPs and ICCs. The future of the IMCC under the new governance mechanism is uncertain.</p> <p>By the end June of 2019, more than 40 national and local governments, regional organizations and regional seas programmes, academia, NGOs and private sector participated in YSLME events. Among these, 14 partners collaborated with YSLME Phase II Project in the conduct of workshops, seminars and training courses.</p> <p>Within the reporting period, the following joint events were organized:</p>

<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>	<ul style="list-style-type: none"> • An ad hoc expert meeting of RWG-A was held in Qingdao on May 14, 2019 for participants to share views on how to achieve the targets of each activity within the available timeframe. • On June 16-17, 2019, PMO also organized the 2nd China-Korea Workshop on Harmful Marine Organisms in YS in Jeju, RO Korea in collaboration with KOEM/ROK and NMEMC/PRC. • A China-Korea workshop on Yellow Sea Cold Water Mass (YSCWM) in the Yellow Sea was held on June 11-12, 2019 in Penglai, PR China with 19 participants, and organized by FIO/PRC, KIOST and KOEM/ROK and PMO. <p>the Legal Expert submitted two reports: the assessment report on China’s legal framework in compliance with the international and regional legal instruments for the implementation of SAP in the YSLME Project II and the assessment report of China’s national and local capacity for implementation of international legal documents in the YSLME Phase II Project. The second report provides a review of the national and local capacity in implementation of UNCLOS, CBD, RAMSAR, UNFCCC and FAO Code of Conduct for Responsible Fisheries. The preparation of regional guidelines for incorporating FAO Code of Conduct for Responsible Fisheries (CCRF) in YSLME context is being undertaken by YSFRI.</p> <p>The Financing Specialist contracted by UNOPS submitted the YSLME Partnership Trust Fund to the countries and the results will be discussed at the ad hoc ICC to be held in July 15-16, Qingdao, China.</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>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</p>

<p>Indicator 2.2: Status of major commercially important fish stock from restocking and habitat improvement</p> <p>Indicator 2.3: Level of pollutant discharge from mariculture operations</p>	<p>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 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</p>	<p>No progress.</p>

	<p>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> <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 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 forum 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 were submitted and currently in revision. Detailed information on conservation status and gaps and also recommended management measures were proposed. The study contributed 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</p>

<p>Indicator 4.2: level of ecological connectivity in expansion of the Yellow Sea MPA system.</p>	<p>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 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 was prepared in consultation with experts from both countries and then put on the post of UNOPS in September and will be initiated in September and completed in December 2017.</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</p>
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<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>of key habitats of marine and pelagic species.</p> <p>During the China-Korea workshop on YSCWM held on June 10-11, 2019 in Penglai, PRC, experts from both countries emphasized 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. There was general consensus at immediate actions with more effort would be placed on YSCWM through future cooperative studies possibly including impact of climate change on YSCWM, considering long-term trend of surface warming, increasing extreme events.</p>
<p>Indicator 4.4: Status of Regional Monitoring Network for application of ECBM</p>	<p>During the 2nd workshop on harmful marine organisms (HMOs) in the YS which was held in Jeju, ROK on June 17-18, 2019, a total of 19 scientists and managers from 11 academic institutions of PR China and RO Korea discussed the status, trends, methodologies, research plans, management measures, multiple use and mitigation of harmful species of jellyfish, <i>Spartina alterniflora</i> and algae. <i>Sargassum</i> sp. was also discussed as of its origin and developments following the catastrophic outbreak with significant economic loss to tourism in Jeju Island of RO Korea and mariculture in Northern Jiangsu of PR China in 2017. The workshop helped exchange information on new projects, progress and results of latest studies on the three HMOs and <i>Sargassum</i> spp.</p>

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	Accumulated Expenditure	Qtr Budget	Qtr Expenditure	Accumulated Annual	Comments
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	(incl UNOPS fee)		(USD)	(USD)	Delivery Rate%	
1. Sustainable Regional and National Cooperation for Ecosystem-Based Management	327,427	229,795	91,872	80,002	70%	
2. Improved Ecosystem Carrying Capacity with respect to provisioning services	356,609	36,123	30,113	18,146	10%	A project cooperation agreement is to be signed with YSFRI of CAFS this year with a total amount of about \$500k subject to signing of a MOU between SOA and UNOPS. TORs of listed activities will be discussed and agreed by the Regional Working Group meeting on Fish Stock and Mariculture to be held on Oct 17-18 and Oct 26-27.
3. Improved Ecosystem Carrying Capacity with respect to regulating and cultural services	426,722	33,963	30,386	18,603	8%	A project cooperation agreement is to be signed with NMEMC/SOA this year with a total amount of nearly \$450k subject to signing of a MOU between SOA and UNOPS. TORs of listed activities

						were already agreed by the Regional Working Group meeting on Pollution Reduction On Oct 10-12.
4. Improved Ecosystem Carrying Capacity with respect to supporting services	580,846	44,450	51,559	24,120	8%	A project cooperation agreement is to be signed with FIO/SOA this year with a total amount of nearly \$480k subject to signing of a MOU between SOA and UNOPS. TORs of listed activities were already agreed by the Regional Working Group meeting on Habitat
5. Project Management Cost	103,200	89,647	22,250	23,578	87%	
Total	\$1,794,803	\$433,979	\$226,179	\$164,451	24%	

3. Project Management and Oversight

3 Risk Log Status Update

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

#	Description	Status	Management Response
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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 3rd 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 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

			<p>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.</p>
3	heavy workload under the project to PMO	<i>Recurrent</i>	<p>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. UNOPS proposed to upgrade the post of Operations Associate to ICS-10 to provide full support to the Project Manager to speed up the procurement and operations of the project activities without compromise to the rules and regulations of the UNOPS. In response to the reorganization of the 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. Environment Specialist is 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</p>

			through mobilization of inputs, events management and reporting under the UN project contexts.
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