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Project**



**Global Environment
Facility**

***Reversing Environmental Degradation Trends
in the
South China Sea and Gulf of Thailand***

REPORT

**Fourth Meeting of the Regional Working Group for
the Wetlands Sub-component**

Kuala Lumpur, Malaysia, 15th – 18th December 2003



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Report of the Meeting

1. OPENING OF THE MEETING

1.1 The Project Director, Dr. John Pernetta, welcomed members and regional experts to the fourth meeting of the Regional Working Group on Wetlands (RWG-W) on behalf of Dr. Klaus Töpfer, the Executive Director of the United Nations Environment Programme (UNEP) and Dr. Ahmed Djoghlaif, Assistant Executive Director, and Director, Division of Global Environment Facility Co-ordination (UNEP/DGEF).

1.2 Dr. Pernetta noted that the project had reached a critical point in implementation, and that substantial work was before the participants for consideration and decision during the meeting. He noted that, as the operational phase of the project will start in 2004, it is imperative that outputs of the first phase were finalized, published and distributed prior to the commencement of the operational phase.

1.3 He informed participants that during this meeting, current MoUs, expiring on 31 December 2003, would need to be amended to extend their duration to June 30th 2004 to take account of initial delays in fund transfer and start-up activities at the national level. During the fourth meeting of the RWG-W, members should work out pragmatic and realistic work plans in order to ensure that the anticipated outputs would be produced on time, and budgets should be revised based on the revised work plan with realistic estimates of anticipated cash requirements. Dr. Pernetta informed the meeting that the newly appointed fund officer, Ms. Nita Tangsujaritvichit would be available to assist each focal point in revising their budgets based on the revised work plan and realistic estimates of requirements.

1.4 The Project Director recalled that some problems still exist in the data used in the regional cluster analysis conducted subsequent to the third RWG-W meeting. The third RSTC meeting had provided some advice on the revision of the cluster analysis, which required substantial work in terms of verification, correction and finalization of the data sets for final cluster analysis. It was noted that demonstration site proposals had not been received until a few days before the commencement of the meeting, so it had not been possible for the PCU to provide concrete comments on the proposals. The demonstration site proposals with the highest regional priority should be reviewed collectively by the RWG-W.

1.5 It was further noted that the review of national data and information, conducted by the SEAs during the preparatory phase of the project, should provide a sound basis for countries to develop a national wetlands action plan, which should serve as an important input to the revised Strategic Action Programme (SAP). As of today, no country has submitted a national wetlands action plan to the PCU. The Project Director stated that the development and adoption of a national wetlands action plan required intensive consultations with various stakeholders, including the government, which will form a major task during the operational phase of the project. In conclusion Dr. Pernetta expressed the hope that the group would be able to complete the agenda and wished the participants a successful meeting.

1.6 The Chairperson of the RWG-W, Ms. Marlynn Mendoza, formally opened the meeting and welcomed members to the meeting. She noted that the Vietnamese focal point, Dr. Mai Trong Nhuan would join the meeting during the afternoon. She invited the meeting participants to introduce themselves to the meeting. The list of participants, is attached as Annex 1 to this report.

2. ORGANISATION OF THE MEETING

2.1 The Chairperson invited Ms. Sulan Chen of the Project Co-ordinating Unit (PCU) to introduce the documentation available to the meeting in both hard copy and on CD-ROM. Ms. Chen referred to the document, UNEP/GEF/SCS/RWG-W.4/Inf.2, and briefed the participants regarding the discussion and information documents. It was pointed out that, although not listed in this document due to their late submission, the demonstration site proposals submitted to the PCU were also included in the folder. The CD-ROM contains all the meeting documents in hard copy, substantive wetlands reports, and demonstration site proposals received by the PCU, together with the meeting reports of other components, RSTC and PCU in 2002 and 2003. The document list, is attached as Annex 2 to this report.

2.2 Ms. Chen briefed participants on the administrative arrangements for the conduct of the meeting, and the proposed organisation of work (UNEP/GEF/SCS/RWG-W.3/Inf.3). The meeting will commence at 8:00am and run until 5.00pm or until such time as the members decided. She indicated that night sessions might be required to complete the heavy meeting agenda, and noted that formal sessions of the meeting would be conducted in plenary although time had been allotted in the agenda for breakout sessions. Additionally, it was noted that time has to be set aside for finalisation of individual work plans, budgets and amendments to the MoUs.

3. ADOPTION OF THE MEETING AGENDA

3.1 The Chairperson introduced the provisional agenda prepared by the Project Co-ordinating Unit (PCU) as document UNEP/GEF/SCS/RWG-W.3/1, and invited members to consider proposals for any amendments or additional items for consideration, prior to the adoption of the agenda.

3.2 Ms. Mendoza proposed an additional item concerning the development of national action plans and the revised Strategic Action Programme under Agenda Item 9, and proposed that the elements of the national action plan and its relationship to the Strategic Action Programme should be outlined under this agenda item.

3.3 The Project Director suggested that, under Agenda Item 9, the PCU brief members on the draft programme for the Regional Scientific Conference (RSC) to be held 11-13, February 2003, in Bangkok, Thailand.

3.4 The RWG-W agreed to include these two additional items under Agenda Item 9. With these additions, the revised draft agenda, as contained in Annex 3 of this report, was adopted by the meeting.

4. STATUS OF OVERALL PROGRESS OF NATIONAL ACTIVITIES

4.1 Status of mid-year progress reports, expenditure reports, and budgets

4.1.1 The Chairperson invited the Project Director to introduce document UNEP/GEF/SCS/RWG-W.4/4, entitled "*Current status of budgets and reports from the Specialised Executing Agencies in the participating countries,*" that contained a summary of the current status of budgets and administrative reports, including audit reports, received by the Project Co-ordinating Unit (PCU) from the Specialised Executing Agencies (SEAs) in the participating countries.

4.1.2 In introducing this document the Project Director noted that the document outlined the considerable operational difficulties faced by the PCU in respect of the implementation of the individual MoUs, specifically the delays of the SEAs in submitting the required financial and administrative reports and the large cash balances currently held by the SEAs.

4.1.3 Attention was drawn to Table 2 of the document and to the generic problem of under-expenditure of SEAs of all components, with a total of US\$128, 204 being currently held by the SEAs. It was noted that large unspent cash balances, to some extent, indicated that SEAs were not planning their activities well, or were not actually undertaking the planned activities, causing delays and unspent monies.

4.1.4 The Project Director took note of the implications of the under-expenditures, as follows:

- Under-expenditures could not be carried beyond the 31st December 2003 without extension of the existing MoUs;
- Any unspent balances should be refunded to UNEP within 30 days after completion of the final task;
- Large, unspent sums of money deposited in the bank account of an SEA, would yield interest on the savings. The SEAs should report any interest earned and this should be used for legitimate project activities.

4.1.5 The Project Director concluded that the existing MoU's with termination dates of 31st December 2003 should be extended to June 30th 2004 to permit the finalisation and publication of the substantive reports and continuation of national committee and sub-committee activities whilst the second memoranda to March 2007 are negotiated and signed. It was noted that such an extension can only be justified in terms of initial start-up delays including *inter alia* delays in receipt of the first tranche of funds in 2002, and subsequent documented delays at the national level. Any such extension must be signed before the expiry of the current MoU, i.e. 31 December 2003.

4.1.6 It is therefore imperative that, during this meeting, each SEA should carefully plan its activities from now till June 2004, work out a realistic and feasible individual work plan with matching budgets to complete the assigned tasks. The Project Director pointed out that individual work plan and budgeting must be designed to ensure that, no large cash balances are held by the SEAs as of 30th June 2004. It was noted that the progress of the wetlands sub-component had been slow compared with other components and sub-components.

4.1.7 The RWG-W agreed that each SEA would make individual appointments with Ms. Nita to finalise their budgets based on individual work plans and planned activities, which will provide inputs for the Project Director to amend the MoUs. It was noted that SEAs would be in a better position to revise their work plans and financial budgeting after reviewing the status of the substantive reports on wetlands from SEAs and considering the comments from the PCU and independent reviewers. The RWG-W decided to proceed to next Agenda Item.

4.2 Status of planned substantive outputs from the national level activities

4.2.1 The Chairperson invited Ms. Chen, to introduce document UNEP/GEF/SCS/RWG-W.4/5, "*Current status of substantive reports on Wetlands from the Specialised Executing Agencies in the Participating Countries*", and outlined the recommendations regarding finalisation and/or publication of these outputs, via print and electronic media.

4.2.2 Ms. Chen noted that MoUs signed between UNEP and the SEAs stipulated the following tasks to be conducted at the national level:

1. Review of past and ongoing activities;
2. Review of national data and information;
3. Creation of national meta database;
4. Identification and characterisation of sites;
5. Review of economic valuation;
6. Review of national legislation and institutional arrangements;
7. National wetland action plan.

4.2.3 As the project is about to enter the operational phase, it is imperative that the reports be finalised and published by June 2004. It was noted that not all required outputs and reports have been produced by the SEAs, and the content, format and quality of the reports received by the PCU vary greatly among countries. In order to ensure the international quality of the reports for international distribution, the PSC decided at the second meeting to introduce a peer review process for the substantive outputs resulting from project activities. It was further agreed by the PSC during their meeting that the reports on national legislation and economic valuation should be submitted for review to the Regional Task Forces on Economic Valuation (RTF-E) and Legal Matters (RTF-L). It was noted that comments and reviews on reports of economic valuation and national legislations were sent via emails and faxes to the SEAs.

4.2.4 Other substantive reports were dispatched by the PCU to an independent reviewer with expertise on wetlands. The comments and review, together with the PCU comments, were compiled into document UNEP/GEF/SCS/RWG-W.4/6. It should be noted that since the PCU had not received a complete set of reports, reviews are still incomplete. The following general recommendations were raised by, the independent reviewer:

- Different levels of comprehensiveness of data and information exist among countries' reports;
- Most reports need to be revised, amplified or extended before final publication;
- Certain reporting formats for compiling the main report should be adopted by the RWG-W to finalize the report.

4.2.5 The independent review had suggested that the elements included in the Table of Content of China's national report form a good model for the main wetlands report from each country. At the request of some of the SEAs, the content and format was extracted from document UNEP/GEF/SCS/RWG-W.4/6 for the reference and consideration of the SEAs in revising their final reports and is attached as Annex 4 to this report.

4.2.6 It was noted by the focal points that some reports submitted to the PCU were not included in the list of national substantive reports. The PCU requested that the reports in electronic file be submitted to the PCU during the fourth meeting of the RWG-W. It was noted that email communications had not worked efficiently between the PCU and SEAs due to failures of the system within the UN and restrictions applied by various servers used by the SEAs. The PCU will try to improve communication and requested that the SEAs routinely acknowledge receipt of e-mail communications. The Project Director also indicated that the PCU remains under staffed, and would welcome nominations of young graduate students with good command of English to work for the PCU as a consultant on a 3-6 months' basis.

4.2.7 The RWG-W took note that the reports should be published at both regional and national levels in English and the national language:

- At the national level, the reports produced for national distribution and use should be coordinated by the focal points, and the costs of these should be included in the SEAs revised budget. At the national level, no constraints had been set on what and how to publish the national reports for distribution and use at national level. Countries should consider the nature of their final publications based on individual countries' needs and the use to which the report will be put nationally. It was requested by the PCU that the standard UN disclaimer, as well as the logos of the project, UNEP and the GEF, be included in the report;
- At the regional level, the PCU will take the responsibility to review, edit, and coordinate publication of the reports in English, and will bear the cost of final publication for regional use and distribution. In cases where English versions, e.g. Philippines, will be published at the national level, the PCU will pay the national Focal Points for additional copies provided that the cost of publication is lower than that available to the PCU in Bangkok.

4.2.8 A lengthy discussion ensued regarding the final publications of reports produced by the SEAs. In reviewing the form and content of the national substantive reports produced by the SEAs, the RWG-W noted the following points with regard to finalisation and publication:

- **Review of Past & Ongoing Activities.** The RWG-W recollected that, a format of reporting was agreed by the SEAs in identifying past and ongoing activities as the baseline for future actions. Many countries have submitted existing projects and activities following the agreed format, resulting in long lists of past and ongoing activities, which may or may not have direct relevance to the protection and sustainable use of wetlands. Little substantive description or analysis is included in these reports. It was further noted that these reports became outdated as soon as they are published since new activities are continuously initiated. Therefore, the report should not be published separately, but could be included as an annex to the main wetlands report. It was further suggested an interactive database be developed for inclusion on the project website to publish the reviews of past and ongoing activities and to permit updating of new initiatives as they came on line.
- **Review of National Legislation.** The Project Director reminded the meeting that the first RTF-L meeting was held in Phuket, Thailand September 2003, and noted that the Task Force reviewed and commented on each individual report on legislation related to wetlands. The RTF-L has within its mandate the responsibility to make available access to information on environmental legislation, with a focus on identification of regional best practices. The Task Force will build a web-based collection of relevant websites on national legislation related to the marine environment. It was noted that some countries may wish to publish the national legislation reports separately, depending on the status of the reports and national needs.

- **Review of Economic Valuation.** The Project Director briefed the participants on the first meeting of RTF-E and noted that regionally applicable economic valuation of habitats and resources was a very important element to be incorporated in the revised Strategic Action Programme. It was noted that most governments make decisions based on cost and benefit analysis; therefore the revised SAP should be costed with respect to specific targets, but more importantly should include an estimated cost of non-action. A pragmatic SAP should provide hard economic arguments as to why governments should take some actions to protect the marine environment, and what will be the costs of non-intervention if the likelihood of adoption by the governments is to be enhanced. In order to provide inputs to the revised SAP, it is therefore important that the SEAs assemble existing data and information on economic valuation as background resources for the consideration of the RTF-E.

4.2.9 In response to a query about the elements of the National Action Plans and the process of developing them, the Project Director noted that many existing action plans represented rather general policy statements of general principles with no provisions regarding the operational implementation of these principles or policies. The NAPs to be developed within the framework of this project should be operational and pragmatic, and should specifically identify who is going to do what, where, when and how. It was suggested by the Project Director that each country in developing such a NAP should conduct extensive consultation process, involving expertises from within or without the project.

4.2.10 The Regional Expert, Dr. Chen Liwei noted that the WWF has a different approach to develop national action plans by first developing a transboundary action plan, based on which the national action plans are then formulated. He further queried the flow chart of activities leading to the development of the NAP and requested clarification regarding the stage at which the project presently stood. The meeting recalled and reviewed Annex 6, of the first meeting report (UNEP/GEF/SCS/RWG-W.1/3) Flow Chart of Actions for the Wetland Sub-component of the UNEP/GEF South China Sea Project. It was noted that this Flow Chart represents a logical flow of actions leading ultimately to the development of the NAP and SAP. The activities conducted in the preparatory phase of the project form the fundamental basis on which the SEAs can develop the NAPs, and provide inputs to the revised SAPs.

4.2.11 In summary, it was agreed that all countries will publish a national wetlands report, based on the review of national data and information, including past & ongoing activities, site characterization, national legislation and economic valuation. In the case of Cambodia, Malaysia, and the Philippines, national reports on legislation will be published as a separate document. The plans for publication of the national outputs are summarised in Table 1.

Table 1 Decisions regarding the structure of the final publications at national level of preparatory phase outputs. (P1, P2, etc refer to independent hard copy publications; other forms of publication such as GIS CD-ROMs and web-based publications are also indicated; Add to 2 indicates that the specified output is combined with the second hard copy publication e.g. P2+3+4+7 indicates that the National Report will have annexed to it the analysis of "Past and Ongoing projects" (output 3), the site characterisations (output 4) and the report on economic valuation (output 7)

Country \ Output	National Action Plan (1)	National Reports Data & Information (2)	Past & Ongoing activities (3)	Site characterisations (4)	National Meta-database (5)	Review of Legislation (6)	Economic evaluation (7)
Cambodia	P1	P2+3+4+ 7	Add to 2	Add to 2	CD-ROM	P3	Add 2
China	P1	P2+3+4+6+7	Add to 2	Add to 2	Web-based	Add to 2	Add to 2
Indonesia	P1	P2+3+4+6+7	Add to 2	Add to 2	Web-based	Add to 2	Add to 2
Malaysia	P1	P2+3+4+5+7	Add to 2	Add to 2	Add to 2	P3/S.	Add to 2
Philippines	P1	P2+3+4+6+7	Add to 2	[Prioritisation] P3	Web-based	P4	Add to 2
Thailand	P1	P2 +3+5+6+7	Add to 2	P3/GIS CD ROM + Hard Copy (Thai)	Add to 2	Add to 2	Add to 2
Vietnam	P1	P2+3+4+6+7	Add to 2	Add to 2	Web-based	Add to 2	Add to 2

4.2.12 The meeting noted that the languages in which the countries will publish the national reports for national purposes are as follows: Cambodia (English/Khmer), China (Chinese), Indonesia (Bahasa Indonesia/English), Malaysia (English), Philippines (English), Thailand (Thai), and Vietnam (Vietnamese). The PCU would be responsible for publication and distribution of English versions to the other countries in the project.

4.3 Agreement of individual work plans and budgets for completion of preparatory reports and outputs

4.3.1 The meeting took note of the recommendation of the PCU that, existing MoU's with termination dates of 31st December 2003 be extended to at least June 30th 2004 to permit finalisation and publication of the substantive reports and continuation of national committee and sub-committee activities whilst the second memoranda to March 2007 are negotiated and signed. In cases where the Focal Point is not the authorised signatory then the Focal Point should be prepared to finalise the document for signature by the authorised signatory upon their return home.

4.3.2 Considering the status of the national reports and the final deadlines for the publication of these reports the meeting agreed to this proposal and worked individually in producing individual work plans incorporating the agreements reached under agenda item 4. Following revision and agreement of the work plans corresponding budget revisions reflecting individual cash requirements were discussed and finalised with the assistance of Ms. Tangsujaritvichit from the PCU.

5. REGIONAL CLUSTER ANALYSIS AND DEMONSTRATION SITES PROPOSALS

5.1 The Chairperson invited the Project Director to introduce document UNEP/GEF/SCS/RWG-W.4/7 entitled "*Status of regional cluster analysis and ranking of potential demonstration sites*" that outlines the background and current status of the analysis required as the first of three steps in the selection of demonstration sites by the Project Steering Committee.

5.2 Members were invited to note that the basic data set to be used in the cluster analysis contains a number of "problems" that needed to be discussed and resolved by the Regional Working Group prior to proceeding with the final cluster analysis, ranking and subsequent recommendations regarding prioritisation of sites on a regional basis. The following problems were noted by the Project Director:

- Different types of wetlands sites were lumped together for analysis;
- A number of sites have exceedingly large sizes, which skew the results of cluster analysis;
- Some anomalous data, such as the numbers of endemic and endangered species require clarification and verification.

5.3 It was also noted that, data and information from most of the countries, are not substantiated by, documented information or lists of species. The RWG-W agreed that supporting data should be provided during the meeting or within 5 days of the completion of the meeting. It was further agreed that there are two ways to provide supporting documentation:

- Lists of species provided to verify the numbers used for the regional cluster analysis and ranking;
- References and preferably copies of publications from which the numbers used had been derived.

5.4 It was agreed that the definition of the parameters in the data set should be discussed, considered and agreed to ensure the compatibility, comparability, and consistency of data among countries. Each country was requested to provide clarification on its understanding of each parameter so that disparate understandings of the same parameter could be reconciled and the data adjusted accordingly. The following clarifications and definitions were agreed:

- **Number of Fish.** The total number of fish refers to the total number of fish recorded from a site, including endangered, migratory, and endemic species. The RWG-W noted that there is possible overlap of measurement, but considered it justifiable to multiple count a fish species, which has such multiple characteristics.
- **Number of Birds.** Following the approach to record the number of fish, the RWG-W agreed that the total number of birds should include all birds recorded from a site, including endangered, migratory, and endemic species.
- **Number of Plants.** The number of higher plant species, not including lower plants or algae.

- **Number of Mammals.** It was agreed that marine mammals, which are not dependent on the wetlands habitats, should not be counted, and that only resident mammals should be included in the data set.
- **Number of Wetland types.** The meeting recalled the decision by the RWG-W in its previous meeting, and the third RSTC meeting that only five types of wetlands should be considered under the framework of the UNEP/GEF South China Sea Project, i.e. estuaries (including deltas), inter-tidal flats, peat swamps, non-peat swamps, and coastal lagoons. It was further agreed that the key/dominant wetland type and associated wetland types should be distinguished for each site.
- **Number of Migratory Species.** It was agreed that “migratory species” should include both species that migrate within a country between freshwater and the marine environment or species that migrate across national borders.
- **Number of Endemic Species.** It was noted that countries have used different standards in defining “endemic species.” China and Philippines defined endemicity in relation to national-level endemic species, i.e. including species found at the site, elsewhere in the country but not known to occur outside the country concerned. All other countries’ had restricted their use of “endemic species” to species restricted in their distribution to the site under consideration. The meeting decided that China and Philippines should modify their data to conform to this definition.
- **Number of Endangered Species.** It was noted that countries had used different standards in defining endangered species. The meeting noted that in order to ensure the regional consistency and comparability of data, the RWG-W had previously agreed that “endangered species” should be identified based on the list of endangered species defined by the Red List of the IUCN.

5.5 It was noted that the Indonesian and some Vietnamese sites have exceedingly large area and that this not only influenced the outcome of the cluster analysis but would also pose difficulties for management. Indonesia confirmed that management regimes already existed in the proposed sites, for example, Sembilang was declared as a National Park by the government. In the case of Vietnam, the exceedingly large size of the Cau Mau mud flats was queried. Following a lengthy discussion the RWG-W agreed that the data should be retained where this could be verified.

5.6 In the light of the agreed definitions and standards for each of the parameters, members of the RWG-W carefully checked, revised, and verified the raw data set. The final data set for the cluster analysis is contained as Table 1 in Annex 5 of this report.

5.7 A cluster analysis was conducted on the revised data set and it was noted that the resulting clusters were basically divided by country, i.e. each country’s sites tended to remain in one cluster. A proposal was made to split the sites by the key/dominant wetland type and run separate cluster analysis. The data were divided into four wetland types, i.e. estuary, tidal flat, lagoons, and peat swamps, and individual cluster analyses conducted. The outcome of the cluster analyses of all sites is presented as Figure 1 in Annex 5 of this report.

5.8 The RWG-W noted that the resulting clusters were not well-integrated and noted that ideally, more parameters should be added and a further set of analyses conducted. Due to the lack of data and information, the RWG-W decided that recognising the deficiencies of the analysis a decision should be taken regarding whether division of the sites into groups should be based on wetland type or on the groupings resulting from a cluster analysis of all data combined. Following a review of the purposes of the cluster analysis and considering the time constraints, the RWG-W agreed that the first approach to the cluster analysis should be used.

5.9 It was noted that the number of sites were not evenly distributed among the six clusters in the cluster analysis; the first cluster has many more sites (17) than any other cluster. It was decided therefore that three clusters should be considered with the second and third clusters being grouped as one and the fourth, fifth, and sixth groups being combined as a third cluster. The RWG-W was reminded that priority should be given to the development of proposals for sites with higher ranking in each of these clusters.

5.10 Attention was then drawn to the observed range of values for the environmental criteria and indicators used in the ranking process. It was noted that the range of environmental indicators had been decided during the third RWG-W meeting, when data and information were not complete or finalized and that these ranges did not reflect the empirical results demonstrated by the revised data. For some parameters the distribution of sites within the different classes was highly skewed either to the lower or the upper end of the range.

5.11 Based on the revised data, and the proposals of the PCU regarding revised ranges the RWG-W reconsidered the ranges of the environmental indicators and varied them resulting in a more even distribution of sites amongst the various classes. The revised scores for the environmental criteria and indicators are presented as Table 1 of Annex 6 to this report. Members were provided with a hard copy of the newly revised environmental indicator scoring system, and requested to score their sites by the following morning for further consideration.

5.12 In response to a query regarding the socio-economic ranking it was noted that the socio-economic indicators include a series of data and information sets, which are not available for most sites and consequently it had been agreed to score only demonstration site proposals using these criteria. For example, the level of stakeholder involvement and co-financing cannot be defined without developing site proposals.

5.13 Based on the agreed environmental criteria, each country scored their sites overnight and the data were consolidated and presented to the meeting. Some final revisions and changes were made and the raw data, and environmental rank scores by cluster are presented in Table 3 of Annex 6 of this report. It was noted that the demonstration site proposals did not fully encompass the top regional priority sites in each of these groups.

5.14 It was agreed that even though most of the demonstration site proposals had not been finalized, the RWG-W should still proceed to rank the sites by socio-economic indicators for those sites that demonstration site proposals have been submitted. Attention was drawn to Table 8 of the UNEP/GEF/SCS/RWG-W.4/7 for the table of "Socio-economic Indicators and Scores for wetlands bordering the South China Sea."

5.15 It was noted that the indicator, potential for co-financing is defined as "% of potential project budget." It was considered that the ranges were not appropriately defined, considering that 100% of the potential project budget means that the total cost of the project will be financed entirely by the co-financing, and GEF funding is not required. It was agreed that potential for co-financing should be defined as the ratio of "co-financing" to "GEF funding". The criteria was divided into three classes namely, <1:1, 1:1, and >1:1.

5.16 It was pointed out by The Chairperson that since co-financing in-cash implied stronger commitment from the government or other stakeholders; it should not be lumped with co-financing in kind. After a lengthy discussion, the meeting noted that if a 1:1 ratio applies to the ratio of co-financing in cash to GEF funding, and co-financing in kind to GEF funding, the ratio of the total co-financing to GEF funding would be 2:1. The RWG-W agreed to consider co-financing in kind and in cash together. The final agreed table of socio-economic indicators and scores is included in Table 2 of Annex 6 of this report.

5.17 Mr. Narong reminded participants that they had previously agreed that in determining final rank score the individual site scores for the environmental and socio-economic criteria and indicators should be combined in the ratio of 7:3. The combined scores are presented in Table 3 of Annex 6.

5.18 In introducing discussion of the individual proposals the Chairperson noted that due to time constraints the RWG-W could not review all the demonstration site proposals presented and that due to delays in their receipt the PCU had been unable to review these in detail prior to the meeting. It was therefore decided that the proposal with the highest priority from each country would be reviewed by the RWG-W.

5.19 CAMBODIA Koh Kapik Ramsar Site

- It was noted that proposal has not closely followed the Guidelines, UNEP/GEF/SCS/RWG-W.4/6, agreed by the third RWG-W meeting. **Section 3**, the last two points are irrelevant to the Section.
- **Section 4.** The relationships of the national strategies or national action plan to the proposed project, and how activities relate to national priorities should be specified. That is the relevance of the site to the plans should be clear and the way in which the proposed activities would contribute to meeting the objectives of the plans and national strategies should also be explained. It was noted that no co-financing from either central government or local government has been committed to date. The last bullet point is not relevant to the section.
- **Section 5.** Irrelevant information was provided since this requires the “date of national technical working group, which considered the proposal and recommendation”, not the date of the RWG-W meeting. If the proposal has not been discussed, it should state the date of submission of the proposal for consideration.
- **Section 6.** Comments from National Focal Point should reflect national priorities of the site proposed.
- **Section 7.** It should indicate the sources of the Criteria 1(b) and 1 (c) and 2(c). Whose criteria are referred to here? Environmental data and information are inadequate. Information should be provided according to the Guidelines. There is no description of dominant habitats in the proposed area, and there is no information on the key or unique biological features in the area. It is therefore unclear to the readers what the proposed activities will protect or maintain in the area. The analysis of the existing management regime should specify who is responsible for managing the area at the present time and in particular the local level management regime should be more specifically described.
- **Section 8.** It includes only a very general description on the stakeholders. The proposal should specify who the stakeholders are, what is at stake, and how to engage them. No stakeholder involvement plan is included in any of the proposals. Suggestions were made that a local government approval letter may raise the confidence of potential donors that key stakeholders have been consulted.
- **Section 9.** Threat analysis is too general; there is no analysis on the optimum points for intervention. It was noted that immigration has been identified as a threat to the site, and it was questioned whether it was possible to address this issue within the scope of a GEF demonstration site.
- **Section 10.** It was noted that the goals and purposes are too ambitious, and unrealistic.
- **Section 11, 12, 13.** Planned activities under Section 13 should be clearly aimed to address the threats identified in Section 9, and achieve the goals, objectives and outcomes in Section 10, 11 and Section 12. It should be noted that activities under Section 13 should be substantive activities, which are eligible for funding, by the GEF.
- **Section 14.** Sustainability and risks was missing from the proposal.
- **Section 15.** Budgets should be planned and presented by both object of expenditure and planned activities and should include co-financing and preferably also be presented on an annual basis.
- **Section 16.** should contain an work plan and timetable in the form of a Gant diagram whilst **Section 17** should clearly specify who is going to manage the activities.

5.20 PHILIPPINES Malampaya Sound and Estuary

- **Section 1.** The co-ordinates should be those of the site and not those of a wider area.
- **Section 3.** date of local government approval is missing.
- **Section 4.** Paragraph 2 introduces some confusion since it is not apparent who identified the 412 priority areas and where Malampaya sound stands on this prioritised listing of 412.

- **Section 3 & 4.** There is no cash co-financing from local or central government. This may weaken the confidence of readers in the support of local and central governments. As Philippines is relatively rapidly developing country compared with many developing countries, the donors may expect in-cash co-financing. The donors will question the priority of the country in the site if no co-financing in cash is committed from governments. The focal point should note that the GEF requires at least 1:1 co-financing ratio to be eligible for GEF funding.
- **Section 5 & 6.** Information should be provided.
- **Section 7.** should emphasize the key or unique biological features of the proposed area. The proposal can be improved by including some description on the site being a habitat to some migratory species or endangered species in the region. Sites that support populations of endangered species, endemic species, and migratory species can be included in the proposal. Annex 1 should added information to the text in this section, but is not required where the site description is comprehensive. Data should be accurate. 26.5% local birth rate stated in the proposal was noted as being exceedingly high. It was noted that the existing management regime is complicated, and a diagram illustrating the roles, responsibilities, and relationships of the management regime to the site such as that in a later section of the proposal could be amplified by explanatory text regarding the relationships between the institutions for the benefit of non-Philippines readers.
- **Section 8.** includes description of the goals and activities of some NGOs and POs as the stakeholders. Other key stakeholders are not included, such as local government, and the private fishermen etc. The proposal should state clearly how it will engage the stakeholders in the proposed activities. Differences between stakeholders and organizations and NGOs and institutions were discussed in relation to the list provided. Stakeholder involvement should be clarified via a full stakeholder involvement plan attached as an annex.
- **Section 9.** the analysis of threats needs to be more specific an detailed rather than aggregated and generalised as in the attached causal chain diagram. The last sentence of the section is neither realistic nor achievable. The Goals and Purpose and Rationale and Objectives should be written clearly and concisely and should not establish impossible achievements.
- **Section 13.** The planned activities provide no details of how activities are to be effected nor who will be responsible for their execution. A cursory examination suggests that this project will achieve no impacts on the ground since its focus is on middle level management activities and actions removed by at least one level from the site itself. Even if environmental awareness is increased and the legal basis for action strengthened this will not result in any change in environmental state of reduction of stressors. Concrete actions to achieve measurable change are required in the project is to be fundable. For example how many fishermen you are going to take out fishing? Activity is to provide alternative livelihoods encourage fishermen to take up other livelihoods take them out of the fishing business and success is easily measured.
- **Section 14.** The proposal states that the Management Board will have increased capacity but the activities do not reflect this and more importantly this does not imply sustainability of project benefits alone. The tables under Section 12 and 14 were clear and provided models which could be followed by other countries.
- **Section 16 and 17.** The first paragraph and the diagram of "Schematic Implementation Plan" in 16 should be moved to Section 17. The diagram should also include the proposed project management entities where these are different. In principle it was suggested that new entities should not be introduced rather existing entities should be given the mandate to play roles within the project.
- **Section 18.** DENR was proposed as executing agency of the project, which introduces many administrative layers between UNEP and the executors on site. When funding is transferred to DENR, internal political and administrative structures may delay transfer of funds to the local executing agency. It was noted that since there exists local management regime in the site, transaction cost could be largely reduced by proposing a local entity as the Executing Agency with DENR playing a supervisory or directorial role. When a local management unit is proposed as an executing agency, UNEP signs an agreement with the local entity (legal entity), endorsed by the central government.

5.21 **CHINA Pearl River.** It was noted that much information was misplaced or irrelevant information was included in the sections.

- **Section 1.** The unit of area measurement should be changed to hectares.
- **Section 2.** It was suggested that the paragraph should be deleted; the name of the country should be inserted.
- **Section 3.** Information on the approval and involvement of local government with regard to the project was not included.
- **Section 4.** Linkage of the site to the national priorities, action plans or programmes should be discussed.
- **Section 5.** Date of National Technical Working Group Meeting was not included.
- **Section 6.** No information is provided.
- **Section 7.** More emphasis should be given to the key and unique biological features that would attract potential donors. Information provided under “present use” is general, and some is not relevant. The patterns of present use of the habitats should be identified and included in this section, i.e. who is doing what in terms of utilizing the site. “Management regime” included some general information on the existing regimes, but no discussion on the responsibilities and roles. Emphasis should be given to the local management regimes, which are directly related to the proposed site.
- **Section 8.** The stakeholders listed under this section are very general; the relationships of the stakeholders to the site should be explained. Specific stakeholder involvement plan should be included in an Annex.
- **Section 9.** The threats identified are very general. Question was raised on the reversibility of the threats.
- **Sections 10, 11, 12, 13.** are noted to be general statements without much linkage between them.
- **Section 10.** is general, and the goal is not achievable.
- **Section 11.** Professor Chen pointed out there are many existing activities in the Pearl River Estuary, and she pointed out the potential to raise co-financing tends to be high. Arguments should be given why additional GEF funding is still in needed for the project, and how the proposed project will make additional contribution to the existing activities.
- **Section 12.** It was noted that the five outcomes listed are actually project objectives.
- **Section 13.** It was noted that project activities should be specific, achievable and feasible, considering the time and funding available.
- **Section 14.** The risks are general risks in managing and protecting wetlands, which may not be directly related to the project or could be addressed by the project. For example, “fail to enforce the law” is a general risk that needs a countrywide or at least provincial-wide arrangement. This again reflects the fact that the project activities in the proposal are general and ambitious.
- **Section 15.** No measurement unit is included in the budgets.
- **Section 17.** This section should specifically point out which agency is managing the demonstration site, and what the relationships between the responsible agency and other management regimes existing in the site.
- **Section 18.** No information on the proposed executing agency is included. It was reiterated that the proposed site should be executed by an existing agency at the local level if possible.

5.22 **THAILAND Thale Noi**

- **Section 3.** It was noted that no government approval or involvement are included in the proposal. It was further pointed out that co-financing from Thailand is only in-kind co-financing, which may indicate that the government commitment to the site is not high.

- **Section 4.** Linkages to national action plans and programmes should be discussed to illustrate the national priority of the site.
- **Section 7.** It was noted that 7.2 is a little long, which contains some irrelevant information that may not interest potential donors. Emphasis should be given to the 7.3, which should describe the dominant habitats in the area and any key or unique biological features. 7.4 should reduce the description on the demography, and detailed information should be given on the current use patterns of the habitat. Paragraph 1 of section 7.5 is not relevant information under the section. Other information provided under this section tends to be general. No specific information on the roles and relationships of the institutions and organizations involved in managing the site is included.
- **Section 8.** The stakeholders listed in this section included a variety of departments of the central government, but did not explain the relationships of these agencies to the proposed site. Annex 2 contained a long list of possible stakeholders. It should be noted that only the major stakeholder groups that are directly relevant to the project should be included in this section.
- **Section 9.** Contains very general information on a list of threats. It was pointed out that the threats should be analysed in such a detailed way that the optimum points for intervention could be identified.
- **Section 11.** The first paragraph is not relevant to this section.
- **Section 13.** It was noted that activities are ambitious for a three-year project, with limited funding resources.
- **Section 14.** Some irrelevant information is included in this section. Some risks have been identified, but no strategy has been included in the section.

5.23 VIETNAM Balat Estuary

- **Section 1.** Only one coordinate should be included.
- **Section 6.** According to the proposal, the proposed site is a second priority, which may reduce the interest of the potential donors in the proposed site.
- **Section 7.** Content included in the habitat part is not related to the habitat. Information should be included on the unique or dominant biological features of the habitat, such as endangered and threatened species existing in the habitat and describe the dependency of the species on the habitat. Section of “management regime” should include specific information on who is managing what, with their specific responsibilities and roles.
- **Section 8.** The meeting suggested the focal point to delete the first paragraph.
- **Section 9.** Immigration was identified as a threat to the site, which was considered as difficult to address. Specific threats that can be addressed by activities should be included.
- **Section 11.** It stated that the project aims to examine current situation of the site. The RWG-W noted that from the first phase of the UNEP/GEF South China Sea project, the country should have collected adequate information about the current situation of the proposed site.
- **Section 12.5.** Some of the outcomes are very ambitious, which require substantial work beyond the capacity of the proposed demonstration activities.
- **Section 15.** is missing, no budget is included.

5.24 After reviewing the proposals, the Project Director noted some general issues related to the following two proposals:

- **China Pearl River Estuary Proposal.** It has been noted that there is a difficulty on the part of Institutions in Mainland China in accessing data and information from Hong Kong. In the Land-based pollution component, hotspots of pollution in Pearl River could not be identified, because of the difficulties in accessing the data and information in Hong Kong. Since Hong Kong is an important part of the Pearl River Estuary, the proposed project may incur some operational difficulties during execution the project.

- **Cambodia Koh Kapik Proposal.** It was pointed out by the Project Director that Koh Kapik site is geographically close to the Thailand mangrove site, so it would be beneficial from a regional perspectives that the Thai mangrove site co-operate with the Cambodia Koh Kapik wetlands site in developing linked proposals. It was suggested by the Project Director that meetings should be held between Cambodia and Thailand to develop their project activities so that co-operation can be furthered between the two countries in protecting shared ecosystems. In this respect it was noted that there existed a joint agreement between Trad Province and Koh Kong regarding development and this agreement might be used to facilitate such a joint activity. The Project Director noted that Cambodia has limited resources in developing extra site proposals, and therefore recommended Cambodia to rewrite the proposal to focus more on mangrove, rather than broader management of the wetland. He further noted that Dr. Sonjai Havanond, the focal point for mangroves in Thailand had indicated his intention to co-operate in this regard and to include reference to Cambodia in the Thai proposal.

5.25 Following the suggestions of the Project Director, Professor Guizhu Chen agreed that the Shantou proposal will replace the Pearl River Estuary as China's first priority for development, and Mr. Sok Vong supported the suggestion to cooperate with the Thai mangrove site.

6. REGIONAL OVERVIEW OF WETLANDS BORDERING THE SOUTH CHINA SEA

6.1 The Chairperson invited Ms. Sulan Chen, Associate Expert to introduce document UNEP/GEF/SCS/RWG-W.4/8 that contained a proposed timetable, format, and contents for a regional overview of wetlands bordering the South China Sea. The RWG-W was informed that each Regional Working Group of components and subcomponents agreed to produce a regional review outlining the present environmental status bordering the South China Sea and background regarding the manner in which demonstration sites had been prioritised in the region. This document is intended as a background document for participants, and in particular potential partners and donors in the Regional Scientific Conference, Bangkok, Thailand, 11-13 February, 2004.

6.2 The RWG-W should collectively produce the Regional Overview of the State of Wetlands in the South China Sea. Each SEA and members were requested to provide substantive inputs based on their national reports. The meeting agreed to produce a draft regional overview following the proposed format and contents during the course of the meeting. The regional Experts, Dr. Sansanee Choowaew and Dr. Chen volunteered to take responsibility for consolidating the information provided by the members into a draft for review by the RWG-W during the meeting.

6.3 Data and information provided by the SEAs, were subsequently consolidated by Dr. Sansanee and Dr. Chen, and the draft regional overview of wetlands was collectively reviewed by the RWG-W prior to the closure of the meeting.

7. REVISION OF THE WORK PLAN AND ACTIVITIES FOR THE REGIONAL WORKING GROUP ON WETLANDS WITH EMPHASIS ON THE PERIOD DECEMBER 2003 TO JUNE 2004

7.1 The Chairperson invited Ms. Chen to introduce document UNEP/GEF/SCS/RWG-W.4/8, "*Proposals for a revised, work plan and timetable for the RWG-W with details of outputs and milestones between December 2003 and June 2004,*" which contained a discussion of the required deadlines and milestones that must be met if the preparatory activities are to be successfully completed by 30th June 2004. It was noted that the timetable for production of the substantive national reports had been discussed under Agenda item 4 and that these had been finalised as the work plans for the amendment to the Memoranda of Understanding. It was agreed that the PCU would incorporate the deadlines for these reports into the overall consolidated work plan for the project that would be attached as an annex to the meeting report.

7.2 The meeting considered the fate of demonstration site proposals which could not be completed satisfactorily by 31st December and noted that to conform with the overall project work plan these could be submitted any time between the second week of March and the end of September. This would ensure their review by the second meetings of the RSTC and PSC in 2004. There followed a discussion during which each country indicated what additional proposals would be submitted and by when during the course of 2004. These agreements are tabulated in Table 2 of Annex 7 of this report.

7.3 Bearing in mind that no Malaysian and no Indonesian sites had been included in the present round of cluster analysis it was agreed that the site characterisations for all Malaysian sites would be submitted during March 2004. Immediately thereafter the PCU would conduct a further cluster analysis in order to determine the regional priority of the individual Malaysian sites. This would be circulated to all members for comments and would be used by the Malaysian Focal point in determining which sites would be developed as demonstration site proposals. In this context it was noted that individual quality was more important than quantity of proposals.

7.4 During discussion it was agreed that given problems of e-mail communication all Emails with attachment of documents should be acknowledged both by the PCU and Focal Points. If no acknowledgement was received then the Focal Point should call the PCU at the expiry of 10 working days, or vice versa.

7.5 A question was raised concerning limitations to the budget for demonstration site proposals. In response it was noted that budgets should be realistic, should reflect real costs and should be kept as small as possible. The Project Director noted that for other working groups, large projects in excess of 3 million dollars had been proposed but it was the opinion of the PCU that the institutions concerned did not have the capacity or experience to manage budgets of this magnitude. It was noted that for some European donors funding for individual projects was 30 percent less than five years ago.

7.6 During the review of the status of the MoU revisions it was noted that all outstanding reports except for those of Vietnam had now been received hence the MoU amendment once signed could release the next tranche of funds. The problems of the audit of the Cambodian accounts was noted and it was further noted that the Project director would not allow the delays resulting from the Company's delays to interfere with the smooth flow of funds.

7.7 In discussing activities to be undertaken by the RWG prior to the Regional Scientific Conference the Chairperson requested Dr. Pernetta to brief the meeting on the status of the arrangements for the meeting. Dr. Pernetta informed the meeting that the Conference would be convened in the Amari Watergate Hotel in Bangkok, that around 120 people from the project would be supported to attend and in addition some 30 regional organisation and 30 potential partner agencies and donors had been invited. He noted that the conference was intended to provide a platform for the convening of the partnership workshop and to bring together all individuals involved in the project components together for the first time.

7.8 He noted that the draft programme had been arranged around themes which were cross-cutting rather than organised along component lines, nevertheless a session was included during which the Chairpersons of the Regional Working Groups would be given the opportunity to present the accomplishments of the groups during the preparatory phase.

7.9 There followed a discussion of the *modus operandi* for preparing the Chairperson's presentation and it was agreed that focal points would send to her points for inclusion before the end of December following which she would prepare a draft, circulated it for comment and amendment prior to sending the final version to the PCU during the week commencing 26th January.

8. DATE AND PLACE OF THE FIFTH MEETING OF THE REGIONAL WORKING GROUP ON WETLANDS

8.1 Members were invited to note that the Project Steering Committee had decided at its second meeting, convened in Hanoi, Viet Nam in December 2002 that future meetings of the RWGs should only be convened at demonstration sites. Since the prioritisation and final decisions of the PSC regarding priority demonstration sites will not be made until February 2004 it was suggested that the RWG-W make recommendations based on the prioritisation of sites concluded under agenda item 5.

8.2 A discussion on possible venues followed during which Vietnam kindly offered to host the meeting at the Balat Estuary potential demonstration site. Dr. Ebil proposed and Dr. Pernetta seconded the proposal that Vietnam be designated as the location for the next meeting. Following a short discussion on the need for an alternate location the Chairperson offered and the meeting accepted the Philippines as the alternate location.

8.3 It was noted that the host institution is responsible for co-ordination of local administrative arrangements, for issuing letters of invitation in support of visa applications and in providing technical and logistic support to the conduct of the meeting and the successful field visit.

9. ANY OTHER BUSINESS

9.1 The meeting noted that three items had been proposed for consideration under this agenda item namely discussion of the National Action Plans, the Strategic Action Programme, and the Regional Scientific Conference. It was further noted that the first two of these items had been extensively discussed under agenda item 4 and that the RSC had been discussed under Agenda item 7. It was agreed that no further clarification of these issues was required at this time.

10. ADOPTION OF THE REPORT OF THE MEETING

10.1 Dr. Mai, the Rapporteur presented the draft report of the meeting, which was considered amended and adopted by the members as it appears in this document.

11. CLOSURE OF THE MEETING

11.1 In closing the meeting the Chairperson thanked the members for their hard work, support and constructive discussions. The formal session of the meeting was closed at 16:45 on 18th December 2004, noting that participants.

ANNEX 1**List of Participants****Focal Points****Cambodia**

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ANNEX 2

List of Documents

Discussion documents

UNEP/GEF/SCS/RWG-W.4/1	Provisional agenda
UNEP/GEF/SCS/RWG-W.4/2	Provisional annotated agenda
UNEP/GEF/SCS/RWG-W.4/3	Report of the meeting
UNEP/GEF/SCS/RWG-W.4/4	Current status of budgets and reports from the Specialised Executing Agencies in the participating countries.
UNEP/GEF/SCS/RWG-W.4/5	Current status of substantive reports on Wetlands from the Specialised Executing Agencies in the Participating Countries.
UNEP/GEF/SCS/RWG-W.4/6	Independent reviews of draft substantive reports produced by the Specialised Executing Agencies in the participating countries.
UNEP/GEF/SCS/RWG-W.4/7	Status of regional cluster analysis and ranking of potential demonstration sites.
UNEP/GEF/SCS/RWG-W.4/8	Proposed timetable, contents and responsibilities for the production of a regional overview of wetlands bordering the South China Sea.
UNEP/GEF/SCS/RWG-W.4/9	Proposals for a revised, work plan and timetable for the RWG-W with details of outputs and milestones between December 2003 and June 2004.

Information documents

UNEP/GEF/SCS/RWG-W.4/Inf.1	Provisional list of participants
UNEP/GEF/SCS/RWG-W.4/Inf.2	Provisional list of documents
UNEP/GEF/SCS/RWG-W.4/Inf.3	Draft programme
UNEP/GEF/SCS/RWG-W.3/6	Guidelines for the preparation of demonstration site proposals and format for use in their presentation.

The following documents are supplied on CD-ROM and published copies have been dispatched by mail. Participants are kindly requested to bring these copies with them to the meeting.

UNEP/GEF/SCS/RWG-M.3/3	Third Meeting of the Regional Working Group on the Mangroves Sub-component for the UNEP/GEF Project " <i>Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand</i> ". Report of the meeting. Bali, Indonesia, 3 rd – 6 th March 2003 UNEP/GEF/SCS/RWG-M.3/3.
UNEP/GEF/SCS/RWG-W.3/3	Third Meeting of the Regional Working Group on the Wetlands Sub-component for the UNEP/GEF Project " <i>Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand</i> ". Report of the meeting. Bali, Indonesia, 4 th – 7 th March 2003 UNEP/GEF/SCS/RWG-W.3/3.

- UNEP/GEF/SCS/RWG-LbP.3/3 Third Meeting of the Regional Working Group on the Land-based Pollution Component for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Phuket, Thailand, 7th - 10th July 2003 UNEP/GEF/SCS/RWG-LbP.3/3.
- UNEP/GEF/SCS/RWG-F.3/3 Third Meeting of the Regional Working Group on the Fisheries Component for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Siem Reap, Cambodia, 29th April – 2nd May 2003 UNEP/GEF/SCS/RWG-F.3/3.
- UNEP/GEF/SCS/RWG-CR.3/3 Third Meeting of the Regional Working Group on the Coral Reefs Sub-component for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Kota Kinabalu, Malaysia, 24th – 27th March 2003 UNEP/GEF/SCS/RWG-CR.3/3.
- UNEP/GEF/SCS/RWG-SG.3/3 Third Meeting of the Regional Working Group on the Seagrass Sub-component for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Kota Kinabalu, Malaysia, 25th – 28th March 2003 UNEP/GEF/SCS/RWG-SG.3/3.
- UNEP/GEF/SCS/RSTC.3/3 Third Meeting of the Regional Scientific and Technical Committee for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Phuket, Thailand, 16th – 18th June 2003 UNEP/GEF/SCS/RSTC. 3/3.
- UNEP/GEF/SCS/RTF-E.1/3 First Meeting of the Regional Task Force on Economic Valuation for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Phuket, Thailand, 11th – 13th September 2003 UNEP/GEF/SCS/RTF-E.1/3.
- UNEP/GEF/SCS/RTF-L.1/3 First Meeting of the Regional Task Force on Legal Matters for the UNEP/GEF Project *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”*. Report of the meeting. Phuket, Thailand, 15th – 17th September 2003 UNEP/GEF/SCS/RTF-L.1/3.

ANNEX 3

Agenda

- 1. OPENING OF THE MEETING**
- 2. ORGANISATION OF THE MEETING**
- 3. ADOPTION OF THE MEETING AGENDA**
- 4. STATUS OF OVERALL PROGRESS OF NATIONAL ACTIVITIES**
 - 4.1 Status of mid-year progress reports, expenditure reports, and budgets**
 - 4.2 Status of planned substantive outputs from the national level activities**
 - 4.3 Agreement of individual work plans and budgets for completion of preparatory reports and outputs**
- 5. REGIONAL CLUSTER ANALYSIS AND DEMONSTRATION SITES PROPOSALS**
- 6. REGIONAL OVERVIEW OF WETLANDS BORDERING THE SOUTH CHINA SEA**
- 7. REVISION OF THE WORK PLAN AND ACTIVITIES FOR THE REGIONAL WORKING GROUP ON WETLANDS WITH EMPHASIS ON THE PERIOD DECEMBER 2003 TO JUNE 2004**
- 8. DATE AND PLACE OF THE FIFTH MEETING OF THE REGIONAL WORKING GROUP ON WETLANDS**
- 9. ANY OTHER BUSINESS**
- 10. ADOPTION OF THE REPORT OF THE MEETING**
- 11. CLOSURE OF THE MEETING**

ANNEX 4

Recommended Content for National Wetlands Reports by Independent Reviewer

(Extracted from UNEP/GEF/RWG-W.4/6)

Introduction

- Project background;
- Relevance, roles and importance of wetland ecosystems to the overall environment of the South China Sea and Gulf of Thailand;
- Objectives;
- Wetland definition, wetland classification system;
- Scoping framework, coverage areas, and regionally agreed wetland types under review;
- Criteria for sites selection and number of wetland sites under review;
- Methodologies for collecting data/information and key sources of information.

Main Contents

- Overview of the country's wetlands, types, areas and distribution;
- Functions and values;
- Threats to wetlands;
- Management regime, national wetland policy and action plans, legal and institutional aspects;
- International cooperation;
- Wetlands of international importance;
- Detailed information of important wetland sites covering all aspects according to the regional agreed outline (Annex 7, UNEP/GEF/SCS/RWG-W.1/3), including key information on: wetland name, geographical location, type, size, wetland biodiversity, uses and socio-economic values, threats and causes, wetland management aspects, etc.

Conclusions and Recommendations

Reference

ANNEX 5

Regional Cluster Analysis Conducted During the Fourth Meeting of the RWG-W

Background

To maximize the range of biological diversity covered by a limited number of demonstration sites, selected sites should represent as wide a range of conditions present in the region as possible. The purpose of the cluster analysis is to group sites on the basis of their similarities, thus selection of sites from different groups could possibly represent the widest diversities of the ecological systems and their features.

Results

Sites were characterized on the basis of criteria agreed in the first and second meetings of the RWG-W. Nine indicators were selected to characterize the sites, i.e. area, number of fish, number of plants, number of mammals, number of wetland types, number of migratory species, number of endemic species, and number of endangered species. A preliminary cluster analysis was conducted during the third RWG-G meeting, although there still existed much missing data and information and some of the data used were estimates.

During the intersessional period between the third meeting and fourth meeting of the RWG-W, further data and information were collected. During the fourth meeting of the RWG-W, in order to ensure the compatibility, comparability, and consistency of data among countries, the RWG-W discussed, considered and agreed on the definition of the parameters used in the data set. It was further agreed that data and information that do not have supporting documentation should not be included. Based on these agreements, the original data set was revised, and is presented in Table 1.

The Clustan Graphic 6 software programme was used to conduct the cluster analysis, the results of which are shown in Figure 1. The RWG-W noted that the sites were not evenly distributed among the six clusters in the cluster analysis; the first cluster having many more sites (18) than any other cluster. It was decided therefore that three major groups should be considered, with the second and third clusters being grouped as one, and the fourth, fifth, and sixth groups being combined as a third cluster.

Figure 1 Dendrogram of 43 wetland sites bordering the South China Sea.

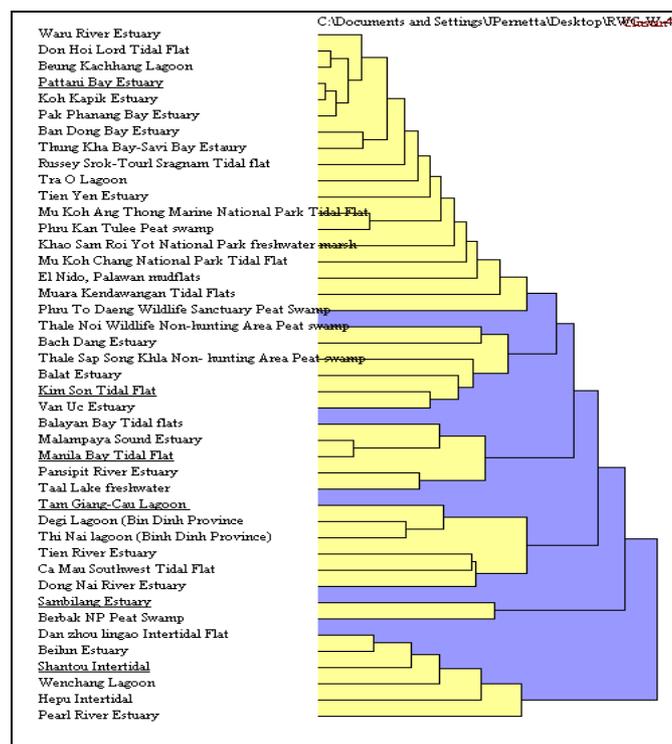


Table 1 Raw data set used for the final cluster analysis.

Site	Area (ha)	Total no. fish	Total no. birds	No. vascular plant spp.	No. resident mammal spp.	No. wetland types	No. migratory spp.	Site specific endemic spp.
Waru River Estuary	25,000	59	22	32	8	2	M	M
Mu Koh Chang National Park Tidal Flat	65,000	12	74	78	29	1	13	M
Don Hoi Lord Tidal Flat	2,420	4	18	6	1	2	M	M
Ban Dong Bay Estuary	13,932	50	75	26	M	2	18	M
Khao Sam Roi Yot National Park freshwater marsh	13,000	36	157	150	16	3	23	M
Thale Noi Wildlife Non-hunting Area Peat swamp	45,700	30	205	260	8	2	62	M
Thale Sap Song Khla Non- hunting Area Peat swamp	36,466	88	131	12	M	2	78	M
Phru To Daeng Wildlife Sanctuary Peat Swamp	34,636	62	217	23	59	1	23	M
Mu Koh Ang Thong Marine National Park Tidal Flat	10,200	75	53	16	16	1	9	M
Thung Kha Bay-Savi Bay Estuary	4,816	51	100	7	19	2	37	M
Pattani Bay Estuary	5,000	32	28	25	M	2	3	M
Pak Phanang Bay Estuary	15,000	50	13	13	2	2	M	M
Phru Kan Tulee Peat swamp	140	29	50	36	16	1	M	M
Sambilang Estuary	205,700	142	318	42	46	5	28	4
Berbak NP Peat Swamp	162,700	116	337	282	57	4	12	4
Muara Kendawangan Tidal Flats	150,000	87	96	29	11	4	0	2
Balayan Bay Tidal flats	75,000	262	25	41	10	2	20	15
Malampaya Sound Estuary	24,500	156	26	30	9	3	10	12
Pansipit River Estuary	64,400	242	24	26	2	2	76	37
Manila Bay Tidal Flat	30,000	171	25	25	8	3	20	10
Taal Lake freshwater	65,720	242	24	26	2	1	76	6
El Nido, Palawan mudflats	54,303	197	26	10	6	2	10	1
Balat Estuary	26,397	130	181	122	17	2	136	6
Tam Giang-Cau Lagoon	21,600	171	73	427	20	3	35	5
Tien River Estuary	151,500	155	41	387	20	3	20	2
Ca Mau Southwest Tidal Flat	134,151	147	171	454	28	2	27	3
Dong Nai River Estuary	160,000	155	130	213	19	2	22	5
Kim Son Tidal Flat	12,620	132	140	50	15	2	54	5
Van Uc Estuary	6,990	123	118	167	8	2	90	2
Bach Dang Estuary	80,358	117	153	302	5	2	25	5
Tien Yen Estuary	24,738	82	57	187	20	2	31	5
Tra O Lagoon	2,000	67	55	104	10	3	25	3
Degi Lagoon (Bin Dinh Province)	1,600	105	40	321	15	2	25	2
Thi Nai lagoon (Binh Dinh Province)	5,000	119	37	211	15	3	25	2
Dan zhou lingao Intertidal Flat	806	149	157	365	19	4	101	3
Beilun Estuary	1,083	145	133	277	20	4	93	5
Hepu Intertidal	3,951	227	193	329	27	4	137	14
Pearl River Estuary	12,783	302	227	420	32	5	141	12
Shantou Intertidal	1,435	213	179	233	12	4	100	5
Wenchang Lagoon	218	227	193	338	27	3	137	6
Koh Kapik Estuary	13,482	M	30	M	3	2	6	4
Beung Kachhang Lagoon	4,503	17	M	13	M	2	M	M
Russey Srok-Tourl Sragnam Tidal flat	4,890	10	9	19	M	3	M	M

ANNEX 6

Environmental and Socio-economic Ranking of Proposed Demonstration Sites

The Fourth meeting of RWG-W reviewed and revised the two sets of indicators, developed by the third RWG-W meeting, to rank proposed demonstration sites, i.e. environmental and biological criteria and indicators (Table 1) and socio-economic criteria and indicators (Table 2). Wetlands were scored based on the agreed environmental and socio-economic indicators. The final scoring of proposed wetlands sites is included in Table 3 of this Annex.

Table 1 Environmental Indicators and Scores for the Ranking of Wetlands Sites.

Environmental Indicators					
1. Area (ha) 10%					
Area 10%	100-4,000	4,001 - 15,000	15,001 - 50,000	50,001 - 100,000	>100,000
	2%	4%	6%	8%	10%
2. Biological diversity 60%					
2.1 No. of Fish species 18%	1 - 50	51 - 100	101 - 150	151-200	> 200
	4%	7%	11%	15%	18%
2.2 No. of bird species 18%	1-25	26 - 50	51 - 100	101 -200	>200
	4%	7%	11%	15%	18%
2.3 No. of plant species 6%	1-20	21 - 30	31 - 150	151 - 300	>300
	1%	2%	3%	5%	6%
2.4 No. of mammal species 6%	1-8	9 - 15	16 - 20	21 - 30	>30
	1%	2%	3%	5%	6%
2.5 Wetland types 12%	1	2	3	4	5
	2%	4%	6%	10%	12%
3. Transboundary Significance 15%					
3.1 No. of migratory species 15%	1-12	13 - 25	26 - 39	40- 90	>90
	3%	6%	9%	12%	15%
4. Regional/Global Significance 15%					
4.1 No. of endemic species 7%	1-2	3-4	5-6	>6	
	1%	3%	5%	7%	
4.2 No. of endangered species 8%	1 - 4	5 - 10	11 - 22	>22	
	2%	4%	6%	8%	

Table 2 Socio-economic Indicators and Scores for Wetlands Bordering the South China Sea.

Socio-Economic indicators			
1. Threats 20%			
1.1 Reversibility of External sources of change, 10%	Low	Medium	High
	2%	6%	10%
1.2 Reversibility of Internal source of change, 10%	Low	Medium	High
	2%	6%	10%
2. National significance 40%			
2.1 Identified as a national priority, 25%	1	2	3
	25%	15%	10%
2.2 Level of direct stakeholder involvement in management, 10%	Low	Medium	High
	2%	6%	10%
2.3 Commitments to RAMSAR, 5%	no	planned	yes
	0	3%	5%
3. Financial considerations 20%			
3.1 Potential for co-financing (% of potential project budget), 20%	25	50	100
	5%	10%	20%
4. Local stakeholder involvement 20%			
4.1 Local stakeholder/community involvement	Low	Medium	High
	2%	12%	20%

Table 2 Timetable for Regional Activities in the Wetlands Sub-component for 2004¹.

Year	2003					2004											
Month	December		January			February				Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Week Starting Day	22	29	5	12	19	26	2	9	16	23							
Publications of National Reports												X					
Regional and National Meta Databases												X					
National Wetlands Action Plan																	
Demonstration site proposals	First Proposal					Second Proposal											
Cambodia	Proposal Koh Kapik with Thailand Mangrove																
China		Shan tou															Pearl River
Malaysia												Draft (2 sites)				Final (2 sites)	
Indonesia												Draft 1				Draft 2	
Philippines		Malam-paya												2 nd Site Final			
Thailand		Thale Noi														2 nd Site Final	
Vietnam		Balat												Camau Final			
Preparation for RSC																	
Wetlands Booklet		X															
Presentation			1 st		2 nd	Final to PCU											
Administrative Reports																	
2 nd MOU Negotiation									1 st draft	Final			Sig				
Outstanding 6 mth. rpts		X				2003								X			
Outstanding audit rpts.		X								2003							
Budget Rev. & Approval		X															
Work plan		X															
MOU 1 st amendment		X															

¹ Individual work plans and timetables have been developed for each of the country in conducting activities at the national level. Countries have individual work plans and timetables to publish national wetlands reports and establish the national meta databases. It was agreed that the activities should be completed before the end of June 2004, when the first phase of the project will be completed.