



**United Nations
Environment Programme**

Distr. restricted
UNEP/GEF/SCS/RWG-CR.1/3



Global Environment Facility

11th May 2002
Original: ENGLISH



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

REPORT

**First Meeting of the Regional Working Group for
the Coral Reef Sub-component**

Bangkok, Thailand, 9 – 11 May 2002

Table of Contents

1. OPENING OF THE MEETING.....	1
1.1 WELCOME ADDRESS.....	1
1.2 INTRODUCTION OF MEMBERS.....	1
2. ORGANISATION OF THE MEETING.....	1
2.1 DESIGNATION OF OFFICERS.....	1
2.2 ORGANISATION OF WORK.....	2
3. ADOPTION OF THE MEETING AGENDA.....	2
4. TERMS OF REFERENCE, MEMBERSHIP AND RULES OF PROCEDURE FOR THE REGIONAL WORKING GROUP ON CORAL REEFS (RWG-CR).....	2
4.1 TERMS OF REFERENCE FOR THE REGIONAL WORKING GROUP.....	2
4.2 MEMBERSHIP OF THE REGIONAL WORKING GROUP.....	3
4.3 RULES OF PROCEDURE.....	3
5. MANAGEMENT AND OVERALL OBJECTIVES OF THE UNEP/GEF PROJECT ENTITLED: “REVERSING ENVIRONMENTAL DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”.....	4
5.1 REPORTING RELATIONSHIPS AND RESPONSIBILITIES OF THE REGIONAL WORKING GROUP AND ITS ROLE IN ACHIEVING PROJECT OBJECTIVES.....	4
5.2 FISCAL RESPONSIBILITIES (RECORDING & REPORTING) OF THE NATIONAL FOCAL POINTS OF EACH SPECIALISED EXECUTING AGENCY.....	4
6. OVERALL GOALS AND OBJECTIVES OF THE COMPONENT “HABITAT DEGRADATION AND LOSS” AND THE “CORAL REEFS” SUB-COMPONENT.....	5
6.1 GENERAL DESCRIPTION OF ACTIVITIES CONTAINED IN THE PROJECT BRIEF.....	5
6.2 OTHER RELEVANT ACTIVITIES IN THE REGION.....	6
7. DATA AND INFORMATION NEEDS FOR THE CORAL REEFS SUB-COMPONENT.....	7
7.1 REVIEW OF THE CORAL REEF RELATED SECTIONS OF THE NATIONAL REPORTS AND THE TRANSBOUNDARY DIAGNOSTIC ANALYSIS, PRODUCED DURING THE PREPARATORY PHASE OF THE PROJECT.....	7
7.2 NATIONAL AND REGIONAL SOURCES OF DATA AND INFORMATION.....	7
8. DISCUSSION AND ADOPTION OF THE WORKPLANS FOR THE NATIONAL COMMITTEES AND REGIONAL WORKING GROUP FOR 2002-2003.....	8
9. ANY OTHER BUSINESS.....	9
10. DATE AND PLACE OF THE NEXT MEETING OF THE REGIONAL WORKING GROUP FOR CORAL REEFS.....	10
11. ADOPTION OF THE REPORT OF THE MEETING.....	10
12. CLOSURE OF THE MEETING.....	10

List of Annexes

- Annex 1 List of Participants**
- Annex 2 List of Documents**
- Annex 3 Agenda**
- Annex 4 Financial Rules and Financial Reporting Requirements for National Focal Points Operating in the Framework of the UNEP/GEF Project entitled: *“Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”***
- Annex 5 Flow chart of National and Regional Actions for the Coral Reefs Sub-component of the UNEP/GEF South China Sea Project**
- Annex 6 Review of the Coral Reef Sections in the National Reports prepared for the Trans-boundary Diagnostic Analysis of the South China Sea**
- Annex 7 Details of Parameters, Data and Information requirements for Coral Reef Site characterisation**
- Annex 8 Workplan Timetable and schedule of meetings for the Regional Working Group on Coral Reefs, 2002-2003**

Report of the Meeting

1. OPENING OF THE MEETING

1.1 Welcome address

1.1.1 The Project Director, Dr. John Pernetta, opened the meeting on behalf of Dr. Klaus Töpfer, the Executive Director of UNEP and Dr. Ahmed Djoghlaif, the Director, Division of GEF Co-ordination. He welcomed participants to the first meeting of the Regional Working Group on Coral Reefs (RWG-CR) and noted the high importance accorded this project by the United Nations Environment Programme (UNEP) and the Global Environment Facility (GEF). He informed the meeting of the strong desire of the Executive Director that the project stimulate renewed interest in regional, co-operative management of the most biologically diverse shallow water marine area in the world. In addition, Dr. Pernetta noted that, the importance accorded this project by the GEF was reflected in the size of the GEF grant (16.4 million US\$).

1.1.2 Dr. Pernetta briefly reviewed the process of project development from the initial approval of the project concept by the 12th meeting of the Co-ordinating Body for the Seas of East Asia (COBSEA) in Manila, 1996, to the final approval of the project document by the Chief Executive Officer of the GEF, in December 2001. He noted further that, the project was large and complex and that this working group was central to the regional level co-ordination and management of national contributions to the coral reef sub-component. This initial meeting is important in providing guidance to the National Focal Points and through them to the National Committees regarding the work to be undertaken and in ensuring that the data and information assembled at the national level are comparable and compatible between all participating countries. It will be important to ensure that this scientific and technical guidance is collective, not only at the regional, but also equally importantly, at the national level.

1.1.3 He informed the meeting that the Regional Working Group on Coral Reefs was composed of six participating countries, since China will not participate in this sub-component during the initial stages of the project. He expressed the hope that with the implementation of the project and demonstration of its benefits, China would participate in this sub-component at a later stage.

1.1.4 On behalf of the Executive Director, the Project Director reiterated the strong support of UNEP for this initiative and to assisting the countries of the region in developing more regionally co-ordinated approaches to addressing the problems of the marine environment. He noted that this project was viewed in many quarters as being both significant and well designed and expressed the hope that the meeting would be successful in providing the necessary scientific and technical guidance required for successful execution of the coral reef sub-component.

1.2 Introduction of members

1.2.1 The participants were invited to introduce themselves and to provide the meeting with a brief outline of their expertise and experience, and their roles in the project. The list of participants is attached as Annex 1 to this report.

2. ORGANISATION OF THE MEETING

2.1 Designation of officers

2.1.1 In accordance with the rules of procedure for the Project Steering Committee, participants were invited to nominate a Chairperson, Vice-chairperson and Rapporteur for the meeting.

2.1.2 Mr. Vo Si Tuan, National Focal Point for Coral Reefs in Viet Nam nominated Mr. Kim Sour, Focal Point for Coral Reefs in Cambodia, as Chairperson of the meeting. The nomination was seconded by, Mr. Abdul Khalil, Focal Point for Coral Reefs in Malaysia and Mr. Sour was duly elected Chairperson.

2.1.3 Mr. Abdul Khalil, Focal Point for Coral Reefs in Malaysia nominated Mr. Suharsono, Focal Point for Coral Reefs in Indonesia as Vice chairperson of the meeting. Mr. Suharsono was elected by acclamation.

2.1.4 Mr. Suharsono, Focal Point for Coral Reefs in Indonesia, nominated, Mr. Porfirio Alino, Focal Point for Coral Reefs in the Philippines, as Rapporteur of the meeting. Mr. Alino was duly elected by acclamation.

2.2 Organisation of work

2.2.1 The Project Director introduced the list of documents (UNEP/GEF/SCS/RWG-CR.1/INF.1), and informed the meeting that the documents in front of the working group included the National Reports, and Transboundary Diagnostic Analysis prepared during the PDF-B phase in both hard copy and electronic form; the report of the First Meeting of the Project Steering Committee held in October 2001; and the reports of the First Meetings of the Wetlands and Mangroves Regional Working Groups. He introduced the discussion documents prepared by the Secretariat for the meeting. The list of documents available to the meeting is attached as Annex 2 to this report.

2.2.2 He noted that the meeting would be conducted in plenary as far as possible, although sessional working groups could be formed as deemed necessary. The meeting would be conducted in English.

3. ADOPTION OF THE MEETING AGENDA

3.1 The Chairperson presented the draft agenda prepared by the Secretariat as document UNEP/GEF/SCS/RWG-CR.1/1, and invited discussion and proposals for any amendments or additions that members might wish to make.

3.2.1 The meeting agreed to adopt the agenda as drafted by the Secretariat and contained in Annex 3 to this report.

4. TERMS OF REFERENCE, MEMBERSHIP AND RULES OF PROCEDURE FOR THE REGIONAL WORKING GROUP ON CORAL REEFS (RWG-CR)

4.1 Terms of reference for the Regional Working Group

4.1.1 The Chairperson invited the Project Director to introduce document UNEP/GEF/SCS/PSC.1/3 and in particular the Terms of Reference for the Regional Working Group on Coral Reefs of the project entitled *"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"* contained in Annex VIII of that document, and reproduced for this meeting as document UNEP/GEF/SCS/RWG-CR/INF.7. In introducing this document the Project Director noted that, the Terms of Reference had been approved by the Project Steering Committee, and that any proposals for amendment would need to be referred back to that committee.

4.1.2 The question was raised as to how the transboundary significance of coral reefs could be dealt with during project implementation. The Project Director informed participants that the Terms of Reference for RWG-CR were intended to cover the entire 5 years of the project. He further emphasised that one of the elements of the criteria for the selection of the demonstration sites has to be transboundary significance in order to meet the requirements of the GEF. What this working group needed to do was to identify appropriate indicators of transboundary significance, and this should be considered further under agenda item 7.

4.1.3 With regard to the tasks of public awareness and production of information materials concerning the national and regional importance of coral reef ecosystems, the working group agreed that the project should focus its activities in the field of public awareness on the regional and global importance of the reefs and issues of transboundary significance, since numerous other materials were already available in the region.

4.1.4 During the review of the Terms of Reference for the working group, participants noted the importance of the economic valuation of coral reef ecosystems, and noted further that there are a number of interesting and activities and published documents addressing the economic valuation of coastal resources in the region. The National Committees should make efforts to compile information on

existing national and regional initiatives in this field. One potential outcome of the economic valuation activities might be provision of a sound economic basis for evaluating the economic, social and cultural importance of coral reefs to the people of the region.

4.1.5 A question was raised concerning how the task of providing guidelines for national legislation should be carried out at the national and regional levels. In clarifying this matter the Project Director noted that, preparation of regional guidelines will be based on existing national legislation, including information regarding which elements should be considered and how to prepare national legislation.

4.1.6 Following some discussion and clarification, the Terms of Reference were accepted as detailed in Annex VIII of the 1st Project Steering Committee meeting report.

4.2 Membership of the Regional Working Group

4.2.1 The meeting noted that, the membership of the RWG-CR as detailed in the Terms of Reference for the Regional Working Group on Coral Reefs, included the National Focal Points for Coral Reefs from the six participating countries, one member of the Project Co-ordinating Unit, and up to four regional experts nominated by the Project Co-ordinating Unit (PCU) in consultation with the National Technical Focal Points.

4.2.2 The Project Director informed the meeting that, Dr. Annadel Cabanban, expert in Project Co-ordinating Unit would serve as the PCU designated member of the working group.

4.2.3 The meeting examined the situation of the working group regarding fields of expertise, and recommended that additional experts should be added to the group to cover the fields of economic valuation and legislation.

4.2.4 The meeting encouraged the members of the working group to provide nominations, before 8 June 2002, of experts in the light of the requirements of the working group. It was agreed that such nominations would be provided in the form of the expert roster entries prepared by the PCU. The full list of experts for all the working groups of the project components and sub-components will be circulated to the National Technical Focal Points for comment.

4.3 Rules of Procedure

4.3.1 The RWG-CR noted that the Project Steering Committee had, at its first meeting in October 2001, adopted rules of procedure for the conduct of its meetings. The Rules of Procedure of the Project Steering Committee are contained in Annex XIII of document UNEP/GEF/SCS/PSC.1/3.

4.3.2 The Project Director noted during discussion that rule 16 was not appropriate for the RWG-CR since the group would hold two sessions between each meeting of the RSTC. It was proposed and agreed that the Chairperson, Vice-chairperson and Rapporteur of the RWG-CR would serve for one calendar year in order to ensure proper representation of the RWG-CR during the next meeting of the RSTC. The RWG-CR agreed to adopt, subject to the change to rule 16, and subject to the replacement of references to the Project Steering Committee with Regional Working Group, the Rules of Procedure for the PSC contained in sections IV, V, VI and VII as rules for the conduct of its sessions.

5. MANAGEMENT AND OVERALL OBJECTIVES OF THE UNEP/GEF PROJECT ENTITLED: “REVERSING ENVIRONMENTAL DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”

5.1 Reporting relationships and responsibilities of the Regional Working Group and its role in achieving project objectives

5.1.1 The Project Director was invited to introduce the management framework of the project outlined in document UNEP/GEF/SCS/RSTC.1/INF.4. He explained that the primary purpose of the RWG-CR was to ensure that the National Committees for the Coral Reef sub-component conducted their work in a comparable manner such that the outputs could be synthesised at a regional level.

5.1.2 In addition, it was noted that the Chairperson of the RWG-CR would serve as a member of the Regional Scientific and Technical Committee (RSTC) and would therefore be responsible for ensuring that the recommendations of the group were presented to the RSTC.

5.1.3 The question was raised, by the National Focal Point for the Seagrass and Coral Reef sub-components in Cambodia, as to whether he should establish two national committees in Cambodia, or a combined national committee. The Project Director stated that based on the MOU signed between Cambodia and UNEP, there is a requirement to establish a single National Committee with responsibility for the two sub-components.

5.1.4 During the discussion it was noted that the MOUs signed between the Specialised Executing Agencies (SEAs) and UNEP, represent institutional agreements such that in the event of a Focal Point leaving the Institution, the SEA has a responsibility to identify a replacement.

5.1.5 It was further noted that the National Committee for the coral reef sub-component should report to the National Technical Focal Points, and not directly to the Inter-ministry Committees (IMCs). This is to ensure a clear separation between the policy and technical levels of decision-making.

5.1.6 The meeting noted that the management framework was well designed and should lead to a better integration of activities at the national and regional level regarding the sustainable management of coral reefs. The hope was expressed that this structure would prove its value such that it would be maintained after the completion of project activities.

5.2 Fiscal responsibilities (recording & reporting) of the National Focal Points of each Specialised Executing Agency

5.2.1 The Project Director was invited to introduce document UNEP/GEF/SCS/RSTC.1/INF.5 on financial rules and financial reporting requirements to secure anticipated cash flows in accordance with the budgets contained in the MOUs. This document is included as Annex 4 to this report.

5.2.2 The Project Director outlined the process of budget approval and fund disbursement and noted that the Project Steering Committee had overall responsibility for budget allocations and planning within the framework approved by the GEF Council in the Project Brief. He further noted that the responsibility for authorizing and certifying project expenditures and disbursements lay with PCU, operating under the guidance and decisions of the PSC. He noted that initially project activities had been approved by COBSEA and on the basis of that approval, an estimated budget was prepared by UNEP, submitted and approved by the GEF Council, which determined the allocations by project component. The Project Steering Committee had approved the overall framework budget for the five years of the project and the detailed budget including allocations to the Specialised Executing Agencies (SEAs) for the first two years.

5.2.3 Disbursement of funds by UNEP is facilitated by ESCAP under authorisation from the PCU and takes place in advance of the SEAs incurring expenditures in line with the budgets attached to the MOUs. These budgets clearly indicate the purpose for which the funds are provided by UNEP, on behalf of the GEF, to the Specialised Executing Agencies. The SEAs are authorised to spend the cash advances in accordance with the detailed budget, and the meeting noted that UNEP will not reimburse expenditures for items not detailed in the approved budget. It was noted further that, during project

execution there might be unplanned costs, over-expenditures and/or under-expenditures that would require revision of the budget, in these cases, the Focal Points in the SEAs should contact the PCU to seek a budget revision.

5.2.4 The Regional Working Group noted that funds had been disbursed to all the Specialised Executing Agencies in all countries except Malaysia, which had yet to sign the MoUs. The working group expressed the hope that these would be signed as soon as possible in order to enable UNEP to disburse funds to the SEA and ensure prompt initiation of project activities in Malaysia. In this connection the Project Director informed the meeting that he had offered to go to Malaysia at the convenience of the Government to facilitate the finalisation of the MoUs.

5.2.5 In respect of reporting requirements, every six-months the SEA is required to provide three documents to the PCU as follows: six monthly expenditure statement; cash advance request; and six monthly progress report. The six monthly expenditure statements should report the actual expenditures to 30th June and 31st December in the form provided in the MOUs. Necessary supporting documentation for expenditures were outlined as contained in Annex 4. The Six Monthly Progress Report in the form provided, should contain details of the substantive activities and outputs of the SEA and National Committees. On the basis of this report and the substantive outputs, UNEP judges whether the terms of the MoU have been met in a satisfactory manner.

5.2.6 The question was raised with regard to the engagement of services of individuals in project implementation. The Project Director provided clarification that as a result of the negotiations of the current MOUs with SEAs, no consultants budget lines exist in any MoU, rather the monies have been placed in a sub-contracts budget line which can be used only for sub-contracting institutions or organisations. However, if the Focal Points feel it necessary to engage individuals in some aspects of project implementation, then the signatory to the MoU should write to the Project Director to request a revision of the project budget. The Project Director would examine the situation and justification of the request and the revised budget would be sent to the SEA.

5.2.7 A question was raised regarding the auditing of the project expenditures, the working group was informed that government auditors should be used for government institutions. In a case where a government audit is not available, it is possible to engage the services of an external accounting firm with international credentials to conduct the annual audit.

5.2.8 Clarification was also provided that the unspent balance of the project budget within the six months period could be moved to the next period. However at the end of the second year of the project, the unspent balance would be re-allocated by the Project Steering Committee for other purposes within the project component.

6. OVERALL GOALS AND OBJECTIVES OF THE COMPONENT "HABITAT DEGRADATION AND LOSS" AND THE "CORAL REEFS" SUB-COMPONENT

6.1 General description of activities contained in the Project Brief

6.1.1 The Project Director gave a presentation on the GEF expectations regarding the project, with some explanation of incremental and baseline costs, and national, regional and global, environmental benefits. He also informed the working group of the nature of the constraints resulting from the GEF conditions and requirements, and outlined the opportunities presented by the project.

6.1.2 The working group noted that the overall intention of this sub-component of the project was to build capacity at the national and regional level to sustainably manage coral reef ecosystems in the South China Sea, thus providing long term benefits to the participating countries.

6.1.3 The Project Director noted that, at the time of the 1972 Stockholm Conference on the Human Environment the over-riding concern in protection of the marine environment was pollution. He noted further that whilst various regional action plans and conventions had resulted from this United Nations Conference the quality of the marine environment had continued to decline over the last thirty years. He expressed the view that this reflected in part, an understanding of what needed to be done but no clear

guidance to governments on how the situation might be rectified. The Project Director indicated that one of the lessons to be learnt from this was that the project must focus on the provision of tools that would enable the governments to clearly understand how the situation might be rectified, what the costs of action and non-action would be, and the overall long term benefits that might derive from intervening. He noted that the demonstration sites identified during the first two years should be chosen to demonstrate successful use of specific tools for reversing environmental degradation in the South China Sea.

6.1.4 The Project Director presented an outline of the habitat related activities described in the Project Brief and summarised in discussion document UNEP/GEF/SCS/RWG-CR.1/4. He also introduced the draft flow chart for this sub-component of the project, contained in document UNEP/GEF/SCS/RWG-CR.1/5.

6.1.5 The National Focal Points for Coral Reef in the participating countries were invited to make presentations on the status of activities of their respective National Committees. The RWG-CR was encouraged to note that most participating countries have established National Committees in one form or other, and are seriously considering the mechanisms for executing project activities. Noting with appreciation the efforts made by the participating countries, in particular the National Focal Points for this sub-component, the meeting reiterated that the effective operation of the National Committees would be crucial in ensuring the success of the project.

6.1.6 Following an extensive discussion of how to classify the coral reefs in the region in order to better compare data and information, the working group agreed on the following five classes: fringing (mainland and island); barrier; patch; atoll; and, others.

6.1.7 The Project Director introduced the draft flow chart contained in document UNEP/GEF/SCS/RWG-CR.1/5, and noted that the Regional Working Group for Mangroves had accepted this without change, whilst the Regional Working Groups for Seagrass and Wetlands had modified the flow chart. The RWG-CR decided to use the chart prepared by the RGW-S as a template since this more clearly separated the national and regional responsibilities.

6.1.8 Clarification was requested regarding the preparation of regional guidelines for legislation. It was noted that different countries have different procedures for the preparation, discussion, and approval of legislation and hence it would be very difficult for the working group to prepare guidelines on how to adopt national legislation.

6.1.9 The Project Director responded that the purpose of preparing regional guidelines was to provide guidance based on national experiences in protecting and managing coral reefs and to provide a source of information regarding the nature, content and effectiveness of different forms of legislation for consideration by those countries in the region that currently lacked such legislation; or for countries which found it necessary to amend existing legislation in order to improve its effectiveness. The guidelines would include the necessary elements, which should be considered for inclusion in preparing new, or amending existing national legislation designed to protect coral reefs.

6.1.10 Following discussion and amendment, Dr. Ridzwan, invited expert from Malaysia, presented a revised flow chart that he had prepared over night. The working group felt that the revised chart provided a clearer indication of the responsibilities at different levels and a better indication of the flow and relationships between the various activities and outputs. This version was discussed, revised, and agreed upon by the working group, and is attached as Annex 5 to this report.

6.2 Other relevant activities in the region

6.2.1 Under this agenda item, the Chairperson invited the National Focal Points to provide brief information on the relevant activities in the participating countries.

6.2.2 The National Focal Points provided a brief overview of national activities in their countries, executed by non-governmental organisations, governmental institutions, and other organisations. The working group noted that national institutional, infrastructure for coral reef management in the participating countries are in different stages of development. Most countries had not established National Coral Reef Committees before the start of this project. In order to ensure co-ordination and co-

operation amongst and between activities at the national level, the national committee established under this project will need to include, representatives from governmental institutions, local governments and NGOs.

6.2.3 The meeting requested that the National Focal Points provide to the PCU a listing of the members of the National Committees once these are established, and details of past and ongoing activities at national level. This information will be utilised together with the relevant regional information as input to the national and regional meta-database.

7. DATA AND INFORMATION NEEDS FOR THE CORAL REEFS SUB-COMPONENT

7.1 Review of the Coral Reef related sections of the National Reports and the Transboundary Diagnostic Analysis, produced during the preparatory phase of the project

7.1.1 Dr. Cabanban presented a table providing an analysis of the information regarding coral reefs contained in the national reports and Transboundary Diagnostic Analysis prepared during the PDF-B phase of the project which was discussed and amended and is attached as Annex 6 to this report.

7.1.2 It was widely recognised by the National Focal Points that the data and information contained in the national reports are too general and needed to be updated as there are a lot of new activities carried out, and new data and information generated since the preparation of the reports about 4 years ago.

7.1.3 The National Focal Points for the Coral Reef sub-component were invited to present overviews of the present status of coral reef research, management, and conservation in the participating countries. During the presentations, it was noted that activities in capacity building are urgently needed throughout the region in order to effectively initiate and execute the project activities.

7.1.4 The National Focal Points invited the Project Director to explore the possibility of providing satellite images to the participating countries to fill the gaps of data and information required for the project. The Project Director confirmed that he would communicate with UNEP's Division of Early Warning and Assessment in Nairobi to explore the possibility of providing satellite images to the relevant national institutions, participating in the project activities, at no cost to the countries and the project.

7.1.5 In discussing initial guidelines on detailed parameters, data and information requirements for coral reef site characterisation, the meeting examined the similar formats prepared by the RWG-SG and RWG-M. The participants agreed to use the table prepared by RWG-M as a template. An initial tabulation was produced and discussed extensively by the plenary session. It was agreed that this tabulation would be worked on by small groups and re-presented to the meeting for their consideration. Three small sessional working groups were established to consider specific sub-sets of data, namely: social & use information; biological data; economic valuation. This tabulation was discussed in considerable detail, amended, and revised as contained in Annex 7 of this report.

7.2 National and regional sources of data and information

7.2.1 Mr. Yihang Jiang, Senior Expert presented the regional GIS database being developed by the Southeast Asian Regional Centre for the System for Analysis, Research, and Training of the International Geosphere Biosphere Programme (SEA-START RC) in Chulalongkorn University. He noted that this was under construction and that numerous datasets had yet to be entered into the database. He noted further that no data regarding habitat distribution in the South China Sea had been entered into the system and noted that with the agreement of the participating countries, the information provided by the National Committees for Coral Reefs would provide a basis for developing habitat layers within the system. He informed the meeting that this would be made available free of charge to all Specialised Executing Agencies contracted within the framework of the UNEP/GEF Project.

7.2.2 The meeting requested the PCU to make arrangements for copies of the GIS database on CD ROM to be made available to the National Committees for their review. In this context it was noted that the database that would be made available was in fact, only a sub-set of the entire database and that

individual National Focal Points could request specific additional datasets. It was proposed that the PCU communicate with Dr. Anond, Director of the SEA-START RC, and request a list of the existing data in the database, and the National Focal Points could specify those sub-sets, which they required, based on the information provided.

7.2.3 The Senior Expert also presented a recent product, Reefs at Risk in Southeast Asia, produced by the World Resource Institute, that includes relevant information on coral reef and mangrove habitats. The meeting was informed that communication was on-going with regard to the possible incorporation of these data into the GIS database.

7.2.4 Mr. Suharsono from Indonesia informed the meeting of the outcome of recent discussions at the National Committee for Coral Reefs in Indonesia, and informed the meeting that it was considered urgent to organise a regional technical workshop to discuss and agree on a regional technical format for GIS databases, in order to ensure effective collation of national data and information such that they are provided to the regional level in an agreed GIS format.

7.2.5 The meeting requested the PCU to discuss this matter with SEA-START RC, and organise a regional technical workshop as soon as possible.

8. DISCUSSION AND ADOPTION OF THE WORKPLANS FOR THE NATIONAL COMMITTEES AND REGIONAL WORKING GROUP FOR 2002-2003

8.1 The Project Director presented the meeting schedule for 2002-2003 contained in document, UNEP/GEF/SCS/RWG-CR.1/6 and the draft workplan for the RWG-CR prepared overnight in accordance with the contents of the original flow chart.

8.2 Two queries were raised by Dr. Tuan, the National Focal Point for Coral Reefs in Vietnam. The first was in regard to the task listed in the MoU concerning the testing of a blast fishing detection device, that was not indicated in the present work plan and the second concerning the fact that in his opinion the task relating to the review of national data and information would require longer than the planned time. He suggested that the workplan for 2002 should be extended to the end of the first quarter of 2003.

8.3 In responding to the question of extending the time allowed for the initial tasks, the Project Director indicated that the Project Steering Committee has determined an overall schedule for project implementation that requires the demonstration sites to be selected during their meeting at the end of 2003. In order to meet this schedule, it would be necessary for every regional working group to commence the process of developing regional criteria for site selection during the first quarter of 2003. This could only be commenced once an initial compilation of site characterisations had been completed. He noted that it was not a pre-requisite that the meta-database and GIS maps be finished before the regional level site comparisons were made and that these would be ongoing activities throughout the life of the project. What was needed was a good initial compilation that would enable the RWG-CR to commence its regional level tasks during the second meeting of 2002.

8.4 Dr. Pernetta also indicated that as the Second Meetings of the Regional Scientific and Technical Committee and the Project Steering Committee will be organised in mid December 2002, all documents, including the reports of the working group meetings should be sent to the National Focal Points and National Technical Focal Points 6 weeks before the meeting. The RWG-CR is scheduled to have its second meeting at the end of October, which is the latest time at which it can be convened in order to meet the requirements of the PSC for distribution of meeting documents. By the time of the second meeting it would be necessary to have the bulk of the site characterisations available at least in draft form in order to commence the process of regional comparisons and development of the criteria for site selection.

8.5 Concerning the question of the task relating to the blast fishing detection device, the Project Director informed the working group that this was a somewhat separate and distinct activity within the project framework that would require co-ordination with national enforcement agencies and that in the light of the heavy work load currently facing the National Committees at this point in time consideration of this activity had been deferred.

8.6 Clarification was requested by the National Focal Point in Cambodia regarding, which schedule, the National Committees should now follow, the one attached to the MoU, or the workplan that had just been adopted. The Project Director confirmed to the working group that the National Committees should follow the schedule set in the workplan just adopted. In the next revision of project budget, the new workplan will be attached.

8.7 Taking into account the overall project schedule approved by the Project Steering Committee, and with a full understanding that there is no requirement to have final products for reviewing national data and information and inputting into GIS system by the time of the second meeting of the Regional Working Group, the proposed workplan was adopted and is attached as Annex 8 to this report.

9. ANY OTHER BUSINESS

9.1 Two issues were raised raised under this agenda item including:

- (i) which species should be included in this regional project as the “key species” itemised in the flow chart
- (ii) Will this project focus on biodiversity conservation or management

9.2 During discussion of the issue of “key species” the working group realised that it is very difficult to agree on a uniform, regional list of key species for the sub-component of coral reefs. After serious discussion, it was agreed that the National Committees should provide data and information on “common” species in the Southeast Asia region to the maximum extent possible. Recognising that in some instance specific identifications could not always be provided the working group also agreed to change the words “key species” to “key taxa”.

9.3 Concerning the question of the project focus, the Project Director informed the meeting that the mission statement of GEF focuses on supporting priority actions within the framework of the Convention of Biological Diversity and that in order to achieve conservation objectives in the field of biological diversity it was necessary to improve management of habitats for sustainable use. Hence one might consider that “biological diversity conservation” was the primary focus of the project using sustainable management as the tool to achieve this goal.

10. DATE AND PLACE OF THE NEXT MEETING OF THE REGIONAL WORKING GROUP FOR CORAL REEFS

10.1 The Project Director informed the meeting that the other regional working groups had decided to extend the length of their meetings to four days and to incorporate a field visit. The working group agreed to extend the length of their meeting by one day, such that the dates would be 23 – 26th October 2002 and requested the PCU to develop a programme that incorporated a field visit to an appropriate coral reef site.

10.2 The Project Director also informed the meeting that the RSTC and PSC would meet in Viet Nam, as would the regional working groups for seagrass and mangroves; that the Regional Working Group for Land-based Pollution would meet in Indonesia and the Regional Working Group for Wetlands in China.

10.3 Following some discussion of possible locations the Chairperson invited the Regional Working Group to convene in Cambodia and this offer, was gratefully accepted by, the participants. It was agreed that the Project Co-ordinating Unit would liaise with the Chairperson, Mr. Sour regarding logistic arrangements and inform the members once these had been finalised.

11. ADOPTION OF THE REPORT OF THE MEETING

11.1 The Chairperson invited the Rapporteur, Dr. Alino, to present the draft report of the meeting, which was considered paragraph-by-paragraph, amended and approved as contained in this document.

11.2 Mr. Kalil proposed, and the meeting agreed, to adopt the report.

12. CLOSURE OF THE MEETING

12.1 Dr. Pernetta thanked the participants for their hard work and constructive approach to the business of the meeting. He informed members that should they have any queries or questions they should not hesitate to contact the PCU. In order to ensure that all matters were responded to as promptly as possible, it was recommended that correspondence should be directed to the Project Director and copied to Dr. Cabanban who would serve as the focal point in the PCU for substantive matters.

12.2 Mr. Sour thanked the participants for their support and hard work during the course of the meeting and noted that he looked forward to hosting them in Cambodia in October. On behalf of the participants he thanked all members of the PCU for their support to the meeting.

12.3 The meeting was closed at 1400 on 11th May 2002.

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

Mr. Kim SOUR
 Department of Fisheries
 Ministry of Agriculture, Forestry and Fisheries
 186 Norodom Blvd., P.O. Box 582
 Phnom Penh, Cambodia
 Tel: (855 23) 215796
 Fax: (855 23) 215796
 E-mail: catfish@camnet.com.kh
 sourkim@hotmail.com

Malaysia

Mr. Abdul KHALIL, Head
 Marine Parks Branch
 Department of Fisheries Malaysia
 Jalan Sultan Salahuddin
 50628 Kuala Lumpur, Malaysia
 Tel: (603) 2695 4591
 Fax: (603) 2691 3199
 E-mail: abkhalil@hotmail.com

Thailand

Dr. Thamasak YEEMIN, Lecturer
 Marine Biodiversity Research Group
 Department of Biology, Faculty of Science
 Ramkhamhaeng University
 Huamark, Bangkok 10240, Thailand
 Tel: (662) 319 5219 ext. 240
 Fax: (662) 310 8381
 E-mail: thamasakyeemin@yahoo.com
 thamasakyeemin@hotmail.com

Indonesia

Dr. SUHARSONO
 Puslit OSEANOGRAFI
 Research Center for Oceanografi
 Pasir Putih 1 Ancol Timur
 Jakarta UTARA
 Indonesia
 Tel: (62 21) 683 850
 Fax: (62 21) 681 948
 E-mail: shar@indo.net.id

Philippines

Dr. Porfirio ALIÑO
 Professor
 Marine Science Institute
 University of the Philippines
 Diliman, Quezon City, Philippines
 Tel: (632) 922 3949; 920 5301 loc.7426
 Fax: (632) 924 7678
 E-mail: pmalino@upmsi.ph

Viet Nam

Dr. Vo Si TUAN, Vice Director
 Institute of Oceanography
 01 Cau Da Street
 Nha Trang City
 Viet Nam
 Tel: (84 58) 590 205; 871 134
 Fax: (84 58) 590 034
 E-mail: thuysinh@dng.vnn.vn

Invited Regional Experts

Mr. Ridzwan Bin Abdul RAHMAN
 Professor & Director
 Borneo Marine Research Institute
 Universiti Malaysia Sabah (UMS)
 Locked Bag 2073
 88999 Kota Kinabalu, Malaysia
 Tel: (6088) 320121; 320266; 013 8644011
 Fax: (6088) 320261
 E-mail: ridzwan@ums.edu.my

Project Co-ordinating Unit Designated Member

Dr. Annadel CABANBAN

Expert – Community Based Management
UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue, Bangkok 10200, Thailand

Tel: (66 2) 288 2279
Fax: (66 2) 281 2428
E-mail: cabanban@un.org

Project Co-ordinating Unit

Dr. John PERNETTA, Project Director
UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand

Tel: (66 2) 288 1886
Fax: (66 2) 281 2428
E-mail: pernetta@un.org

Ms. Charuvan KALYANGKURA
Administrative Assistant, EAS/RCU
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand

Tel: (66 2) 288 1894
Fax: (66 2) 281 2428
E-mail: kalyangkura@un.org

Mr. Yihang JIANG, Senior Expert
UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand

Tel: (66 2) 288 2084
Fax: (66 2) 281 2428
E-mail: jiang.unescap@un.org

Ms. Unchalee KATTACHAN
Secretary, UNEP/GEF Project Co-ordinating Unit
United Nations Environment Programme
9th Floor, Block A, United Nations Building
Rajdamnern Avenue
Bangkok 10200, Thailand

Tel: (66 2) 288 1670
Fax: (66 2) 281 2428
E-mail: kattachan.unescap@un.org

ANNEX 2

List of Documents

Working documents

UNEP/GEF/SCS/RWG-CR.1/1	Provisional agenda.
UNEP/GEF/SCS/RWG-CR.1/2	Annotated provisional agenda.
UNEP/GEF/SCS/RWG-CR.1/3	Draft report of the meeting (to be prepared during the meeting).
UNEP/GEF/SCS/RWG-CR.1/4	Outline of Coral Reef Related Activities Described in the UNEP/GEF Project Brief and Project Document entitled: <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> .
UNEP/GEF/SCS/RWG-CR.1/5	Flow Chart of Actions for the Coral Reef Sub-Component in the UNEP GEF South China Sea Project.
UNEP/GEF/SCS/RWG-CR.1/6	Elements for consideration by the Regional Working Groups for habitats in developing criteria for prioritising areas of intervention.
UNEP/GEF/SCS/RWG-CR.1/7	Workplan for calendar year 2002.
UNEP/GEF/SCS/RWG-CR.1/8	Anticipated Activities in the Framework of ICRAN Regional Project and the Regional Coral Reef Monitoring Project: Their Complementarities and Synergies

Information documents

UNEP/GEF/SCS/RWG-CR.1/INF.1	Provisional list of documents.
UNEP/GEF/SCS/RWG-CR.1/INF.2	Provisional list of participants.
UNEP/GEF/SCS/RWG-CR.1/INF.3	Draft programme.
UNEP/GEF/SCS/RWG-CR.1/INF.4	Management Framework and Reporting Structures for the UNEP/GEF Project entitled: <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> .
UNEP/GEF/SCS/RWG-CR.1/INF.5	Financial Rules and Financial Reporting Requirements for National Focal Points Operating in the Framework of the UNEP/GEF Project entitled: <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> .
UNEP/GEF/SCS/RWG-CR.1/INF.6	Terms of Reference for the Regional Working Group on Coral Reefs (as approved by the First project Steering Committee, Bangkok, Thailand, October 22-23 rd 2001).
UNEP/GEF/SCS/PSC.1/3	First Meeting of the Project Steering Committee for the UNEP/GEF Project <i>"Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand"</i> . Report of the First Meeting. UNEP/GEF/SCS/PSC.1/3. UNEP, Bangkok Thailand, 2000.

- UNEP/GEF/SCS/RSTC.1/3 First 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 First Meeting**. UNEP/GEF/SCS/RSTC.1/3 Pattaya, Thailand, 14-16 March 2002.
- UNEP/GEF/SCS/RSTC.1/4 Expectations of the Global Environment Facility (GEF) with Respect to Project Execution; Constraints and Opportunities.

~~The following documents are available to participants as both hard copies and on CD Rom~~

- Talaue-McManus, L. Transboundary Diagnostic Analysis for the South China Sea. **EAS/RCU Technical Reports Series No. 14**. UNEP, Bangkok, Thailand, 2000.
- UNEP/EAS/RCU National report of Cambodia on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.
- UNEP/EAS/RCU National report of China on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.
- UNEP/EAS/RCU National report of Indonesia on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.
- UNEP/EAS/RCU National report of Malaysia on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.
- UNEP/EAS/RCU National report of the Philippines on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.
- UNEP/EAS/RCU National report of Thailand on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.
- UNEP/EAS/RCU National report of Viet Nam on the formulation of a Transboundary Diagnostic Analysis and preliminary Framework of a Strategic Action Programme for the South China Sea. UNEP. Bangkok, Thailand, 2001.

ANNEX 3

Agenda

- 1. OPENING OF THE MEETING**
 - 1.1 Welcome address**
 - 1.2 Introduction of members**
- 2. ORGANISATION OF THE MEETING**
 - 2.1 Designation of officers**
 - 2.2 Organisation of work**
- 3. ADOPTION OF THE MEETING AGENDA**
- 4. TERMS OF REFERENCE, MEMBERSHIP AND RULES OF PROCEDURE FOR THE REGIONAL WORKING GROUP ON CORAL REEFS (RWG-CR)**
 - 4.1 Terms of reference for the working group**
 - 4.2 Membership of the working group**
 - 4.3 Rules of procedure**
- 5. MANAGEMENT AND OVERALL OBJECTIVES OF THE UNEP/GEF PROJECT ENTITLED: *“REVERSING ENVIRONMENTAL DEGRADATION TRENDS IN THE SOUTH CHINA SEA AND GULF OF THAILAND”***
 - 5.1 Reporting relationships and responsibilities of the Regional Working Group and its role in achieving project objectives**
 - 5.2 Fiscal responsibilities (recording & reporting) of the National Focal Points of each Specialised Executing Agency**
- 6. OVERALL GOALS AND OBJECTIVES OF THE COMPONENT “HABITAT DEGRADATION AND LOSS” AND THE “CORAL REEFS” SUB-COMPONENT**
 - 6.1 General description of activities contained in the Project Brief**
 - 6.2 Other relevant activities in the region**
- 7. DATA AND INFORMATION NEEDS FOR THE CORAL REEFS SUB-COMPONENT**
 - 7.2 Review of the Coral Reefs related sections of the National Reports and the Transboundary Diagnostic Analysis, produced during the preparatory phase of the project**
 - 7.3 National and regional sources of data and information**
- 8. DISCUSSION AND ADOPTION OF THE WORKPLANS FOR THE NATIONAL COMMITTEES AND REGIONAL WORKING GROUP FOR 2002-2003**
- 9. ANY OTHER BUSINESS**
- 10. DATE AND PLACE OF THE NEXT MEETING OF THE REGIONAL WORKING GROUP FOR CORAL REEFS**
- 11. ADOPTION OF THE REPORT OF THE MEETING**
- 12. CLOSURE OF THE MEETING**

ANNEX 4

Financial Rules and Financial Reporting Requirements for National Focal Points Operating in the Framework of the UNEP/GEF Project Entitled: “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”

Background

During the first meeting of the Regional Scientific and Technical Committee held in Pattaya, March 22-25 2002 members requested that the Project Co-ordinating Unit provide some notes for guidance of the individuals in the Ministries and Specialised Executing Agencies regarding the management of the funds and reporting requirements. This document has been produced by the PCU in response to that request.

What follows therefore is a simple outline of the budgetary constraints and reporting requirements, rather than a full detailed listing of the United Nations financial rules and regulations.

Budget Planning and approval

The overall project budget was estimated by UNEP on the basis of planned activities approved by COBSEA and the participating Governments. These estimates were summarised in the Project Brief at the time of submission to the GEF Council for approval as total costs for each component and subcomponent of the Project. Hence variations in allocation between components of the Project can only be made with authority of the GEF Council.

Subsequently, during the appraisal phase from December 2000 to October 2001 extensive negotiations were undertaken between UNEP and the Focal Point Ministries in each participating country regarding the allocation of resources to activities within each component. The overall project budget, broken down by object of expenditure in UNEP format was approved by the first Project Steering Committee meeting, held in Bangkok, Thailand, October 22-23rd 2001. This meeting also approved the government commitments of in-kind contributions to the project.

Overall Budget Control

The body with over-riding authority with respect to the entire project budget is the Project Steering Committee, which approves on an annual basis the workplans and budgets for the project. In practical terms what this means is that, at the end of each year the Project Steering Committee decides how any unspent balance should be reallocated, and makes decisions regarding the budget allocations for demonstration sites. The Project Steering Committee must however operate within the framework budget presented in the Project Brief by component and approved by the Global Environment Facility Council at the time of submission of the Project Brief. Effectively this means that the Project Steering Committee has authority to move funds between activities in each component but not to transfer funds from one component to another.

For example: money approved by the GEF as grant support to activities in the coral reef component cannot be transferred to the mangrove component, for example.

The Project Steering Committee has approved the initial budgetary allocations to the Specialised Executing Agencies at National level for the first two years on the basis of which the first instalment of funds has been transferred to all Specialised Executing Agencies with which UNEP has signed Memoranda of Understanding.

Responsibilities of the Specialised Executing Agencies

The responsibilities of the Specialised Executing Agencies are detailed in each Memorandum of Understanding and include *inter alia* responsibility for Chairing and convening meetings of the National Committees, for producing the national inputs to the regional level activities and for advising at the national level, the National Technical Focal Point and National Technical Working Group of priorities activities which should be undertaken within the framework of the Project. In addition the Specialised

Agencies are responsible for presenting the national perspective at the Regional Working Groups and providing to the Regional Working Groups and Regional Scientific and Technical Committee the data and information required to make decisions and recommendations at the regional level. The substantive needs will be more closely defined during the first sets of meetings of the Regional Working Groups.

Disbursement by UNEP to the SEAs

In order to undertake the substantive work described in the MoU's the GEF has provided grant funds for project execution. These monies will be disbursed by ESCAP on behalf of UNEP at six monthly intervals according to the terms given in the MoU. As noted above the first instalment of funds has been disbursed **as a cash advance** following joint signature by UNEP and each SEA, of the MoUs.

In terms of fiscal responsibility within the United Nations System the Project Director authorises financial expenditures including disbursement of funds to the SEAs, in accordance with the project document, and the workplans and budget approved by the Project Steering Committee. The Senior Expert certifies that adequate funds exist to support the payments authorised. These authorities are delegated from the Head of the United Nations Office at Nairobi (UNON), and UNEP headquarters, Nairobi.

Each MoU contains a budget in UNEP format, which indicates the purpose for which the funds are provided by UNEP to the Specialised Executing Agencies. Funds have been allocated in these budgets to the production of the required national level information, for the convening of meetings, for translation and for other purposes as indicated by the UNEP budget code; for example the extract below is taken from the budget table for a National Specialised Agency serving as the Focal Point for Land Based Pollution and represents the anticipated reporting costs. No expenditures on publications are foreseen during 2002 hence these funds will be transferred in 2003 in two separate allotments around January and June 2003.

Table 1. Example extract from the budget for a Specialised Executing Agency acting at National level as the Focal Point for the Coral Reef sub-component of the Project (US\$ thousands)

		2002		2003		TOTAL
		1st	2nd	1 st	2nd	
5200	Reporting costs - publications, maps, newsletters, printing.					
5216	Translation			2.00	2.00	4.00
5217	Publication of National Review of Water Quality data			3.00		3.00
5218	Publication of evaluation of costs and benefits of alternative courses of action and pre-feasibility studies				3.00	3.00
5299	Total	0.00	0.00	5.00	5.00	10.00

Expenditures by the SEAs

Each SEA is authorised under the terms of the MoUs to spend the cash advances in accordance with the detailed budget, which forms part of each MoU. Since the money in the budgets of the MoUs is provided to the SEAs by UNEP in advance of the SEAs incurring any expenditures, UNEP will not reimburse expenditures for items not detailed in the approved budget.

Unplanned costs

In undertaking the work agreed by the Regional Working Groups Specialised Executing Agency may find that they need to spend money on items not currently listed in the budgets of the MoUs. Under such circumstances the Focal Point in the SEA must contact the Project Director to seek changes in the budget to accommodate these un-planned expenditures.

Over-expenditures

Where an item or an activity costs more than originally estimated then the Specialised Executing Agency would need to examine the budget and see whether cost savings can be achieved in other parts of the budget. Any such savings could then be transferred between lines to prevent an over-expenditure occurring. In cases where quotations are obtained which exceed the allocations the Focal Point should contact the PCU to arrange for a revision of the budget. Such a revision should be completed before the over-expenditure is incurred. Focal Points should note that reallocation of funds between lines, which fall into the same component (i.e. 5000 numbers) is generally accepted automatically, but reallocation of funds from 2000 to 3000 lines for example should only be done with the agreement in writing of the Project Director.

Under-expenditures

At the end of a six-month period the Specialised Executing Agency might find that the anticipated costs of a particular activity have been less than originally planned. For example in the Table presented above the SEA might find that only 1,800 US\$ had been spent on translation by June 30th 2003, hence 200 US \$ would remain unspent in budget line #5216. This money can be carried forward on the same budget line if for example it was expected that the costs of translating of the second publication would be more than the planned 2,000 US\$. Alternatively the unspent funds can be reallocated internally, for example to produce more copies of the publication, subject to the approval in writing of the Project Director. In this case the funds would be removed from budget line #5216 and reassigned to budget line #5217 or #5218 as appropriate.

Revising the budget

In the event that unplanned expenditures, under-expenditures or over-expenditures are foreseen the Focal Point in the Specialised Executing Agency is advised to contact the Project Co-ordinating Unit promptly to seek a budget revision, since as noted above UNEP cannot reimburse expenditures which are not part of the approved budget contained in the MoU.

Reporting requirements

At the end of each six-month period the SEA is required under the terms of the MoU to provide three documents to the Project Co-ordinating Unit as follows:

- Six Monthly expenditure statement
- Cash advance request.
- Six monthly progress report

Without these three documents the Project Co-ordinating Unit cannot authorise the cash advance for the next six months.

The six monthly expenditure statement should report the actual expenditures which have occurred up to the 30th June and 30th December in the form provided in an Annex to the MoU and reproduced here as Table 2. At this time any under expenditures will become apparent and a revision of the budget may be undertaken as necessary.

At the same time that the SEA reports the actual expenditures for the previous six months it completes **a cash advance request** in the form annexed to the MoUs and reproduced here as Table 3. This constitutes a request from the SEA to UNEP to advance monies against the expenditures anticipated in the next six months.

Supporting documentation for expenditures

If an item of equipment has been purchased, then the **original receipt for payment must** be dispatched with the six monthly expenditure statement, since until the time of completion of the project the equipment remains the property of the United Nations (Transfer to the partner institution is normally automatic on completion of the project).

If a consultancy contract has been issued for a specified piece of work then a **copy of the signed contract** should also be supplied with the expenditure statement, together with a **copy of the original product** produced by the consultant.

If expenditures are incurred in organising a meeting then a copy of the report of the meeting and any substantive outputs must be supplied to UNEP.

If travel by air has been paid for then an original receipt must be supplied with the expenditure statement.

Whilst UNEP does not require that original receipts for all expenditures be submitted at the time the expenditure report is dispatched **they must be retained by the Specialised Executing Agency** until such time as the external audit report of the organisation has been submitted to, and receipt acknowledged by, the PCU. Ideally receipts should be retained on file until completion of the project and financial closure of the MoU. In the event of an audit the Specialised Executing Agency **may be** required to produce the original receipts by the United Nations auditors.

It is strongly recommended therefore that each SEA retain original documentation demonstrating the nature of each expenditure until such time as the terms of the MoU have been fulfilled.

Substantive Reporting:

One further report is required from each SEA on a six monthly basis. This is the Six Monthly Progress Report in the form as annexed to the MoUs and attached here as Table 3. In this report the substantive activities and outputs of the SEA and National Committees are detailed and it is on the basis of this report together with the substantive outputs (copies of which should be sent to the PCU) that UNEP judges whether or not the terms of the Memorandum have been met in a satisfactory manner.

Without the six monthly expenditure report, the six monthly progress report and cash advance request the PCU cannot authorise any subsequent cash advances. It is important therefore that the Focal Points adhere as closely as possible to the reporting requirements in order to ensure a steady flow of funds and smooth operation of the project.

Table 2
FORMAT OF SIX MONTHLY PROJECT EXPENDITURE ACCOUNTS FOR SUPPORTING ORGANIZATIONS
Project statement of allocation (budget), expenditure and balance (Expressed in US\$) covering the period
from.....to.....

Project No.:.....
Project title:
Project commencing:.....

Supporting organization.....
Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand
(date)..... (date)

Object of expenditure in accordance with UNEP budget codes	Project budget allocation for the half year ending	Expenditure incurred for the half year ending	Unspent balance of budget for the half year ending
	Amount (1)	Amount (2)	Amount (1-2)
<p>1100 Project personnel 1101 1200 Consultants 1201 Consultants</p> <p>..... etc. etc. etc.</p> <p><i>(USE OBJECTS OF EXPENDITURE IN ACCORDANCE WITH THE SIGNED MEMORANDUM OF UNDERSTANDING)</i></p>			
99 GRAND TOTAL			

Signed _____
Designation: _____
Duly authorised official

NB: The expenditures should be reported in line with the specific object of expenditure as per project budget.

File ID: K:\FORMATS\APP4SOQE.WQ1 me\ag

Table 3
CASH ADVANCE REQUEST

Statement of cash advance as at _____

And cash requirements for the six month period ending _____

Name of co-operating agency/
Supporting organization _____

Project No. _____

Project title: Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand

I Cash Statement:

- | | | |
|-----------|---|-------------------|
| 1. | Opening Cash Balance as at _____ | US\$ _____ |
| 2. | Add: cash advances received | |
| | Date: _____ | US\$ _____ |
| | Date: _____ | US\$ _____ |
| | Date: _____ | US\$ _____ |
| | Date: _____ | US\$ _____ |
| 3. | Total cash advanced to date | US\$ _____ |
| 4. | Less: total cumulative expenditures incurred | US\$ _____ |
| 5. | Closing cash balance as at _____ | US\$ _____ |

II Cash requirements forecast

- | | |
|-----------|--|
| 6. | Estimated disbursements for period ending |
| 7. | Less: closing cash balance (item 5, above) |
| 8. | Total cash requirements for the period ending |

Prepared by _____
Name: _____

Request approved by: _____

Duly authorized official of co-
operating agency/ supporting
organization

Table 4

**UNITED NATIONS ENVIRONMENT PROGRAMME
SIX MONTHLY PROGRESS REPORT**

SECTION 1 - BACKGROUND INFORMATION

1.1 Project Title: ~~Reversing Environmental degradation in the South China Sea and Gulf of Thailand.~~

1.2 MOU Number: _____

1.3 Responsible Office: ~~South China Sea Project Co-ordination Unit, Bangkok~~

1.4 Specialised Executing Agency (Supporting Organization):

1.5 Reporting Period: (the six months covered by this report) _____

1.6 Focal Point Name: _____

SECTION 2 - PROJECT STATUS

2.1 Status of the Implementation of the Activities and Outputs Listed Under the Workplan in the Memorandum of Understanding (check appropriate box)

Project activities and outputs listed in the Project workplan for the reporting period have been material completed and the responsible Office is satisfied that the project will be fully completed on time (give reasons for minor variations as Section 3 below).

Project activities and outputs listed in the Project Workplan for the reporting period have been altered (give reasons for alterations: lack of finance; project reformulated; project revisions; other at Section 3 below).

Project activities and outputs listed in the Project Workplan for the reporting period have not been fully completed and delays in project delivery are expected (give reasons for variations in Section 3.1 and new completion date in Section 3.2 below).

Insufficient detail provided in the Project Workplan.

2.2 List Actual Activities/Outputs Achieved in the Reporting period: (check appropriate box)

(a) **MEETINGS** (Duplicate this box for each meeting individually)

Inter-Ministry mtg Expert Group Mtg. Training Seminar/Workshop Others

Title: _____

Venue and dates _____

Convened by _____ Organized by _____

Report issued as doc. No/Symbol _____ Languages _____ Dated _____

For Training Seminar/Workshop, please indicate: No. of participants _____ and attach **annex** giving names and nationalities of participants.

(b) PRINTED MATERIALS (Duplicate this box for each printed item)

Report to IG Mtg. Technical Publication Technical Report Others

Title:

Author(s)/Editor(s) _____

Publisher _____

Symbol (UN/UNEP/ISBN/ISSN) _____

Date of publication _____

(When technical reports/publications have been distributed, **attach distribution list**)

(c) **TECHNICAL INFORMATION** **PUBLIC INFORMATION** (posters, leaflets, broadcasts etc.)

Description

Dates _____

(d) **SERVICES**

Description

Dates _____

(e) **OTHER OUTPUTS**

SECTION 3 - PROJECT DELIVERY

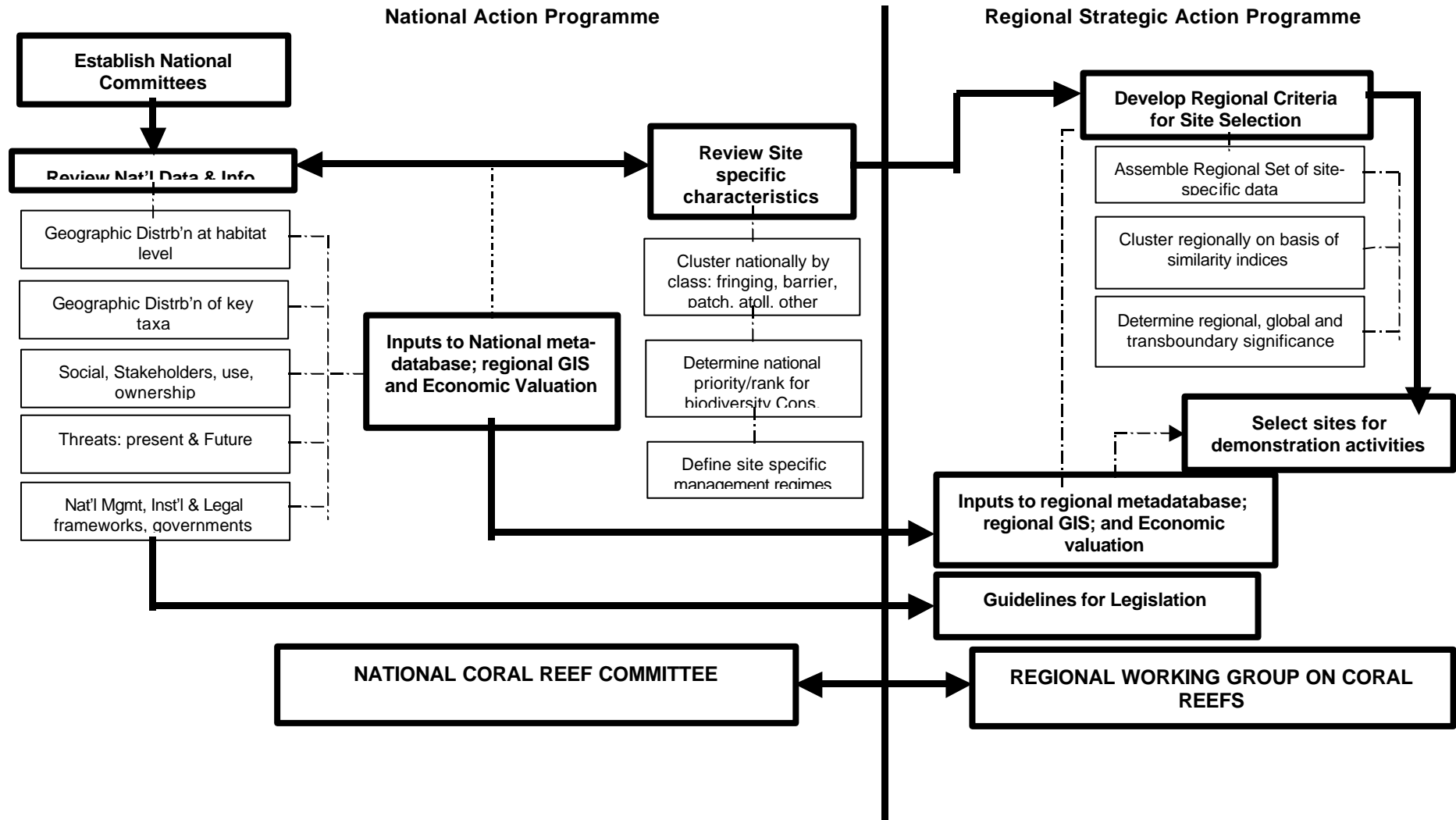
3.1 Summary of the Problems Encountered in Project Delivery (if any)

3.2 Actions Taken or Required to Solve the Problems (identified in Section 3.1 above)

Signed: _____
Name: _____
Designation: _____

ANNEX 5

Flow chart of National and Regional Actions for the Coral Reefs Sub-component of the UNEP/GEF South China Sea Project



ANNEX 6

Review of the Coral Reef Sections in the National Reports prepared for the Transboundary Diagnostic Analysis of the South China Sea

The following tabulation indicates the presence (+) or absence (-) of data and/or information on five key elements required for the revision of the Regional Strategic Action Programme and the determination of criteria for priority ranking of regional demonstration sites.

Country	Diversity	Transboundary Significance/Impacts	Legislation	Financial support (for management)	Economic Value	Remarks	Relevant pages in National Reports
Cambodia	+	-	-	-	-	Needs to be updated with data/information from activities and projects with international agencies (e.g., SIF, ADB, DANCED-ICZM)	54-56
Indonesia	-	+ (sustaining fisheries, regional/global biodiversity)	+	-	-	Need update data on diversity; need estimate on live fish trade; need location and extent of major oil spill events; need details and sources of information on transboundary impact.; update info. on economic value (e.g., Cesar, 2000?)	90-93; 109-111, 114

Malaysia	+	-	+	+	-	Need update on all aspects from activities and projects in MY (e.g., DANCED-ICZM; Reefs at Risk in SEA; Reefs at Risk in Sabah; DoF activities; MIMA reviews; GCRMN summaries; UNEP/EAS RCU activities on coral reefs; activities/projects of nat'l. agencies, research institutions, NGOs: DoF, UMS, WWF, etc.	30-31; 53
Philippines	+	+	+	+	-	Metadabase of existing data/information will be useful; update on economic value from research institutions, NGOs: CRMP, UP-MSI, etc.	30-33; 39; 71-72
Thailand	+	-	-	-	-	Need to assemble existing data and information from past and current activities and projects (e.g., ASEAN-Australia LCR Project; UNEP-EAS/RCU; ICLARM; etc); need for econ. valuation	22-24
Viet Nam	-	+	-	-	-	Need to assemble data on diversity; need to provide more details on transboundary impctce.; need to estimate economic value of coral reefs	73-74; 83

ANNEX 7
Details of Parameters, Data and Information requirements for Coral Reef Site characterisation

Coral Reef: location name

	Parameter	Data & Information needed	Remarks
Geographic information	Co-ordinates	Latitude & Longitude central position of areas, GPS Boundary or number (min 4) of paired co-ordinates for larger areas; end points for linear strips.	Include a suitable map
	Area	(Units Km ² or Ha)	
Physical Environment	Reef type	Fringing (mainland & island), barrier, atoll, patch, other	Volcanic, non-volcanic
		Slope Degrees (tangent)	
	Bathymetry	Depth contour	
	Climate	Prevailing wind; sea surface temperature, (seasonal mean, max & min); rainfall Mean monthly rainfall (mm)	Specify length of records, anomaly sea surface temp.
	Current pattern	Seasonal current pattern	
	River discharge	Sediment load, quantity of freshwater discharge salinity	
	Tidal regime	Range (m) Diurnal, semi-diurnal, mixed	
	Water quality	Nutrients, total P, N, nitrite, Total suspended solids Turbidity, Other parameters as available	
	Environmental state information	Present status	Live coral cover, dead coral cover, algae, abiotic
		Level of exploitation (indicator species, catch per unit)	Reference of R @ R if any
Present threats		sedimentation	Quantitative or qualitative descriptions in last 5 yrs
		destructive fishing (no. of cases, both bombing & poisoning, received per year)	
	Pollution (no. pop'n & distance to the sources of pollutants)	Reference to R@R	
	COT infestation (density of COT, no. of cases, and infested areas)		

	Parameter	Data & Information needed	Remarks
		Bleaching (% bleaching of live coral, % of covered) others	Quantitative historical data
	Trends	Increase or decrease of live coral cover	
	Pressure (threats) – future	Development plan & distance to the coral reef area	
Social & use information	Ownership	Description: Federal, State, Community, private, common property	
	Management regime	Description: Land-use planning and coastal zoning, Institutional framework, stakeholder co-ordination, restoration, stakeholder investment, fishery practices.	Description
	Current use	Description: Commercial, subsistence, fishing ground, tourism and/or MPA	For MPA, when declare, types of MPA and the size
	Traditional use	Description of	
	Potential use	Tourism and MPA (sustainable use)	
	Significance/national importance	Use designation in national/state master plans	
Biological data	Species diversity	No. of species and coverage of hard coral	
		No. of species and coverage of soft coral	
		Molluscs – species and density (no. per m ²)	If available
		Crustacean- species and density (no. per m ²)	
		Fish – coral reef fish, species abundance	
		Fish – Transient for breeding, species abundance	
		Mammals	
		Reptiles	
		Echinoderm	
		No. species of algae	
		Other species	
		Diversity index	
	Genetic diversity		Unlikely to be available
	SCS Endemic species	List species and abundance	
	Endangered or threatened species (IUCN criteria)	List species and abundance	
	Source & sink of larvae	Location & types (breeding ground), density of larvae	
	Migratory species	List species and abundance	
	Ecosystem diversity	Description of complexity of habitats	

	Parameter	Data & Information needed	Remarks
	Interaction with other ecosystems	Description of associated ecosystems	
Economic valuation¹	Extractive	Reef related fish landing (mt/\$\$)	
		Subsistence fishery (no. of fishes living on reefs –mt/\$)	
		Commercially (live fish and fish landing – mt/\$)	
	Non extractive (tourism)	No. of visitors. (\$ generated)	
		No. of people involved in industry (income generated) – no. of chalets/hotels operators	
		- no. ferry/boats operator	
		- no. guide/agents	
		Environment services	Upon the advise of the environment economist
		Education	
		Others	

¹ Barbier, E.B. 1997. *Economic Valuation of wetlands: A guide for policy makers and planners*. RAMSAR Convention Bureau, IUCN, Gland, Switzerland.

ANNEX 8

Workplan Timetable and schedule of meetings for the Regional Working Group on Coral Reefs, 2002-2003

Table 1 Schedule of Meetings for 2002

	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T						
January		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31				
February						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28			
March						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
April		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30					
May						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
June						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
July						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
August						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
September						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
October						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
November						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
December						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31

 Official United Nations Holidays in Thailand

