



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

THE GEF TRUST FUND

Submission Date: 15 October 2007

Re-submission Date:

## PART I: PROJECT IDENTIFICATION

GEFSEC PROJECT ID<sup>1</sup>: 3524

GEF AGENCY PROJECT ID: PIMS 4063

COUNTRY(IES): Indonesia, Malaysia, Philippines

PROJECT TITLE: Sulu-Celebes Sea Sustainable Fisheries Management Project (SCS)

GEF AGENCY(IES): UNDP,

OTHER EXECUTING PARTNERS: UNOPS

GEF FOCAL AREAS: International Waters,,

GEF-4 STRATEGIC PROGRAM(S): IW-SP 1,

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program (for FSP)	Apr 2008
CEO Endorsement/Approval	Apr 2009
GEF Agency Approval	May 2009
Implementation Start	June 2009
Mid-term Review	June 2011
Implementation Completion	June 2013

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: Asia Coral Triangle

### A. PROJECT FRAMEWORK (Expand table as necessary)

Project Objective: To improve the condition of fisheries and their habitats in the Sulu-Celebes Sea to a sustainable level through an integrated, collaborative and sustainable tri-national management								
Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	Indicative GEF Financing*		Indicative Co-financing*		Total (\$)
				(\$)	%	(\$)	%	
1. Demonstration of best fisheries management practices in critical sites of the SCS	TA	Increased fish stocks at pilot sites (5-10% increase)	Establishment of two pilot sites per country; Per capita income at demo sites increased by 5%	0.61 M	46	0.71M	54	1.32M
2. Transboundary Diagnostic Analysis (TDA) for SC LME		Regional agreement on transboundary priorities, their immediate and root causes	Agreed Transboundary Diagnostic Analysis (TDA) for the SCS	0.75 M	62	0.45M	38	1.20M
3. Regional agreement on governance reforms for sustainable fisheries management	TA	Agreement on regional and national legal, policy and institutional reforms for improved fisheries management	Strategic Action Program (SAP); local integrated coastal management (ICM) plans; collaborative agreements with relevant regional and sub-regional organizations	0.75 M	43	0.99M	57	1.74M
4. Institutional	TA	Introduction of	Strengthened	0.50 M	50	0.50M	50	1.00M

<sup>1</sup> Project ID number will be assigned initially by GEFSEC.

Strengthening		institutions and reforms to catalyze implementation of policies on reducing over-fishing and improving fisheries management in the SCS that will benefit the SCS coastal communities; Strengthened national fisheries laws and policies	Tri-National Committee (Tri-Com) for SCS and its Sub-Committee on Sustainable Fisheries; Establishment of National and Local Inter-ministerial and inter-sectoral committees for effective implementation of the agreed action programs and ICM models for Sulu-Celebes Sea					
4. Project management				0.28 M	27	0.77M	73	1.05M
<b>Total project costs</b>				2.89 M	46	3.42M	54	6.31M

\* List the dollar amount by project components/activities.

\*\* STA = Scientific & technical analysis.

#### B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Project Preparation	Project	Agency Fee	Total
GEF Grant	110,000	2,890,000	300,000	3,300,000
Co-financing	100,000	3,420,000		3,520,000
<b>Total</b>	210,000	6,310,000	300,000	6,820,000

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

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution (Philippines personnel cost of PCICDSCS)	Unknown at this stage	15,555
GEF Agency(ies)	(select)	
Bilateral Aid Agency(ies)	(select)	
Multilateral Agency(ies) (BIMP-EAGA support to meetings of Natural Resources Development Cluster, Senior Officials and Ministers, and Leaders Summit )	Unknown at this stage	418,945
Private Sector (FirstGen/FPCI)	Grant	1,000,000
NGO	Grant	1,650,000
NGO	In-kind	150,000
Others	Unknown at this stage	185,500
<b>Total co-financing</b>		3,420,000

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

GEF Agency	Focal Area	Country Name/ Global	(in \$)			
			Project Preparation	Project	Agency Fee	Total
UNDP	International Waters	Philippines, Indonesia, Malaysia	110,000	2,890,000	300,000	3,300,000
<b>Total GEF Resources</b>			110,000	2,890,000	300,000	3,300,000

\* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

**PART II: PROJECT JUSTIFICATION**

**A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO SOLVE IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

The Sulu-Celebes Sea large marine ecosystem (SC-LME)<sup>2</sup> of the Indo-Malay-Philippines Archipelago (IMPA) is at the heart of the Coral Triangle and is among the world's most biologically diverse marine environments. It covers an area of about 900,000 km<sup>2</sup> which is essentially composed of two large seas, the Sulu and Celebes/Sulawesi Seas and smaller inland seas. Coral reefs, sea grass meadows and mangrove ecosystems contribute to the marine mega biodiversity of the LME. These ecosystems support considerable numbers and species of sea turtles, marine mammals, elasmobranchs, marine fishes, invertebrates, seaweeds and sea grasses and other less known but equally important marine flora and fauna.

An estimated 35 million people live in association with the SCS and the population is expanding at 2%-5% annually. Major economic activities include agriculture, fishing, aquaculture, tourism, and mining. Being at the heart of the most bio-diverse marine area in the world, the SCS is also a very rich fishing ground for large and small pelagics as well as demersal and reef fishes. The capture fisheries production alone is placed at over US\$1.0 billion a year. The Celebes/Sulawesi Sea, particularly the Moro Gulf, and Sulu Sea have been known as a major spawning grounds for tuna. Moreover, the human populations in the SCS area rely heavily on its fisheries as the main source of animal protein and livelihood. Thus, fish is a vital food security item in the three countries.

The growing needs of the collective population of coastal areas, increases in economic activity and the limitations of government to support ecological services, legislation and marine law enforcement have allowed various forms of threats to overcome the marine environment of the SCS. Specifically, these pressures include unsustainable fishing practices, destructive fishing techniques, negative impacts of mismanaged aquaculture practices, pollution, and poorly planned and inappropriate land use. Barriers that limit local ability to address these threats include insufficient understanding of the connectivity of marine biodiversity and the ecological processes that support it, generally ineffective and under-supported conservation management and enforcement regimes, limited capacity, and lack of coordination among natural resource managers, and economic incentives that favor short-term resource exploitation over sustainable use. All these have resulted in losses that are in the magnitude of millions of US dollars annually and a fisheries industry that is now summarized as illegal, unreported and unregulated (IUU). The SCS fisheries is in a state of depletion wherein the number of fishing vessels operating is approximately thrice the number required to harvest the maximum sustainable yield (MSY) of the fishery resource. This situation brings about low fisheries productivity, equity problems and undermined environmental integrity.

<sup>2</sup> The Sulu-Celebes LME is also referred to as the Sulu Sulawesi LME: Abdullah, A. Augustina, H., Alcala, A., Alino, P., Bachtiar, L., Bonifacio, R., Cabanban, A., Cheung, C. et al. 2003. Global International Waters Assessment Sulu-Celebes (Sulawesi) Sea sub region 56 Scaling, scoping, causal chain and policy options analysis. Final report to GIWA secretariat Kalmar University, Sweden.

To address the foregoing issues, a SC-LME TDA will be conducted to jointly identify and prioritize transboundary fisheries management concerns that need prompt tri-national action by IMP. Consequently, an appropriate Strategic Action Program (SAP) will be formulated for the three SC-LME-comprising countries to jointly undertake in order to effectively address these transnational issues. Particularly, the project, within the context of the TDA and SAP, aims to promote an integrated approach of Growth, Control and Maintenance (GCM) in the SCS. The Growth mechanism entails pursuit of ecosystem-based fisheries management best practices and closed areas. The Control mechanism should address the excess fishing effort by reducing the current fishing fleet operating in the SCS. This should be done through the combined methods of prevention of the IUU practice of dual registration of fishing vessels, selective moratorium on the issuance of new fishing vessel licenses, strict implementation of registration and licensing regulations and active monitoring and law enforcement systems. This approach is focused on the use of appropriate fishing gears to use, gear restriction and fish catch size limits, proper registration and licensing, closed fishing seasons, zoning of fishing areas, law enforcement and policy development. The goal of this approach is to regulate the fishing pressure and therefore reduce the stress on the fish stocks, and this will be tested at selected demonstration sites. With strong political will and joint coordination and action by the three countries, better results can be achieved as compared to isolated individual country actions. The third mechanism of Maintenance will deal with management planning, capacity building, institutional development and strengthening, inter-local government unit management arrangements and private-public sector partnerships using Integrated Coastal Management (ICM) models developed for the region<sup>3</sup>. Topping all this is the need to have a tri-national and sub-regional Indonesia-Malaysia-Philippines (IMP) framework for SCS fisheries management to ensure harmonized and coordinated approaches at the regional level for sustainable fisheries management and concerted actions against IUU fishing. The Tri-National framework will build on the Sulu-Sulawesi tri-national initiative that started in 2003 by the establishment of a Preparatory Committee. In 2006, the Tri-National Committee was established and its accomplishments include the formulation of terms of reference of the Tri-Com, the formation of three sub-committees on Endangered, Charismatic and Migratory Species; Sustainable Fisheries; and Marine Protected Areas and Networks.

**B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS (Is the proposal consistent with country priorities? How does it build on ongoing programs, policies and political commitments?)**

At the sub-regional level, Indonesia, Malaysia and the Philippines (IMP) are already cooperating to pursue biodiversity conservation and sustainable development of the SCS. It started from the formulation of a tri-national vision in 2001 and in developing a multi-stakeholder Ecoregion Conservation Plan (ECP), which was adopted through a ministerial signing of a tri-national Memorandum of Understanding (MOU) during a side event held at the Seventh Conference of Parties to the Convention on Biological Diversity (CBD-COP7) in Kuala Lumpur, Malaysia in 2004. The ECP embodies four action plans, one each for the countries sharing the Sulu-Celebes/Sulawesi LME and an ecoregion-level action plan that should be pursued jointly by the countries. The action plans are hinged on a tri-national vision and a common set of 10 objectives, one of which is a fisheries objective. The ECP incorporates the Framework for a Fishery Management Program (FMP) for Sulu-Celebes/Sulawesi in the fisheries objective of the Ecoregion-level Action Plan. By adopting the ECP, the countries effectively adopted the FMP framework. Additionally, the ECP is aligned with the national priorities, plans and programs of the three countries as well as with their common international commitments, such as the SDS-SEA, CBD and the WSSD. At the first meeting of the Tri-national Committee (Tri-Com) held in Balikpapan East Indonesia on 1 March 2006. The Committee decided to focus on the following three (3) major concerns of the SCS under the leadership of concerned countries: sustainable fisheries and livelihood (Malaysia); conservation of endangered, charismatic and migratory species (Indonesia); and establishment of network of marine protected areas (Philippines). The subcommittees have since organized their terms of reference and work objectives. This proposed project shall contribute to the implementation of relevant fisheries components of the workplans of the sub-committees.

---

<sup>3</sup> Partnerships in Environmental Management for the Seas of East Asia (1994-2010): A regional Mechanism Facilitating Sustainable Environmental Benefits in River Basins, Coasts, Islands and Seas. 78 pp. 2007. PEMSEA.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND FIT WITH STRATEGIC PROGRAMS:**

The project is consistent with the first objective of the IW focal area to foster international, multi-state cooperation on priority transboundary water concerns through more comprehensive, ecosystem-based approaches to management and, its Strategic Program 1 on Restoring and Sustaining Coastal and Marine Fish Stocks and Associated Biological Diversity, which targets Southeast Asian seas as one of the global hotspots. The project will build foundational capacity and pilot test some innovative demonstrations on fisheries conservation and management in the SCS for replication and on-the-ground implementation in a subsequent phase and/or under the wider Asia Coral Triangle Program.

**D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES**

The growing limitations of national governments to individually address marine environmental concerns, especially those with a transnational flavor, spurred the conceptualization and development of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) under the Partnerships for Environmental Management for the Seas of East Asia (PEMSEA 2003). The SDS-SEA provides the regional framework for cooperation, consensus-building, developing ocean governance, and establishing monitoring and evaluation (M&E) system. During the 2<sup>nd</sup> East Asian Seas Congress held in Haikou in December 2006, a Partnership Council was established to serve as one of the implementation mechanisms of the SDS-SEA. The Congress also recognized the potential contribution of sub-regional initiatives and programs to the implementation of the SDS-SEA, thus the basis for this fisheries project concept for the Sulu-Celebes Sea that will make major contribution to the SDS-SEA's objective for equitable and sustainable fisheries and conservation of fish stocks. To address the major concern of poaching of fisheries resources by foreign vessels and IUU fishing, the SDS-SEA will provide the platform for engaging with other concerned countries in the region.

The Project will establish synergies and linkages with the UNDP/GEF funded project on Oceanic Fisheries Management (OFM) involving the Pacific SIDS and the West Pacific-East Asia Oceanic Fisheries Management project under development with Indonesia, Philippines and Vietnam as well as with the UNEP/GEF funded project for the South China Sea. It will also collaborate with the project on Conserving Marine Biodiversity through Enhanced Marine Park Management and Inclusive Sustainable Island Development (Malaysia). In addition, it will build on the experiences and lessons learned from the following completed GEF projects in the Philippines: 1) Conservation of the Tubbataha Reef National Marine Park (Tubbataha Ecosystem); and 2) Biodiversity Conservation and Management of Bohol Island Marine Triangle.

To promote strengthened regional coordination, the project will link with the Brunei Darussalam-Indonesia-Malaysia-the Philippines – East ASEAN Growth Area (BIMP-EAGA) initiative, a sub-regional cooperation forged in 1994 by Heads of State of BIMP, with the main goal of increasing trade, investments and tourism in the designated growth area. It encompasses the SCS, spans many sectors, and operates through 11 Working Groups (WGs) grouped into four Clusters. The WGs on Fisheries and Environment are lodged under the Natural Resources Development (NRD) Cluster (chaired by Indonesia) . The SSME FMP framework on which this proposed project was based was adopted by the BIMP-EAGA 11<sup>th</sup> Senior Officials and Ministers Meeting in Davao City, Philippines in 2003. The main strength of BIMP-EAGA is its established coordination and collaborative mechanism anchored on a permanent central secretariat (BIMP Facilitation Center) based in Kota Kinabalu, Sabah, Malaysia. Furthermore, it has organized institutional mechanisms such as regular meetings of the Ministers, Senior Officials, Clusters, WGs and the four country National Secretariats. It allows flexibility in cooperative arrangements and engagements (either bilateral, trilateral or quadrilateral). For better implementation of the project, the mechanisms of the IMP Tri-National Committee and BIMP-EAGA can be tapped and streamlined. The agencies in the Tri-Com are represented in the BIMP-EAGA, while NGO members in the Tri-Com and its sub-committees have links to country EAGA leads and members.

In the Philippines, members of the Presidential Commission for the Integrated Conservation of Sulu-Celebes Seas (PCICDSCS) are delegates to Tri-Com and BIMP-EAGA. NGOs are also well-linked. For example, the Conservation International-Philippines is a member of the PCICDSCS, an official delegate to the Tri-Com and its three sub-committees and a participant to country and regional BIMP-EAGA meetings. Member agencies and

NGOs of Tri-Com are implementing various related initiatives in key marine areas in the SCS-LME in partnership with local government units and other stakeholders. This proposed project will enhance and complement such initiatives on the ground.

**E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :**

The transboundary fisheries conservation and management issues facing the three countries sharing the SCS cannot be solved by the nations individually but jointly. Since late 1990s, the IMP have been discussing common fisheries issues in the tri-national area, that is, Sulu-Sulawesi(Celebes) Seas and at best formulated the framework for Fisheries Management Program for SSME in 2002. Although BIMP-EAGA adopted the framework in the same year and the tri-nationally adopted ECP embodies it, the lack of funds and the absence of a tri-national platform prevented the framework to take off the ground. However, the creation of the Tri-National Committee for SSME in March 2006, provides the platform to pursue the implementation of the FMP framework. Without GEF catalytic support, the three states will not together be able to determine and agree on joint priorities in the SCS. Among these are the critical fish species which need immediate management measures and the identification of fisheries hot spots and corresponding actions to take. Hence, without GEF assistance critical fish species will continue to be lost and joint actions at hot spots will not take place in the foreseeable future.

With GEF assistance stakeholder capacities to manage regional, national and local fisheries will be improved. It will also contribute to an improved and stabilized fish populations in the SCS. Appropriate policies will be developed to integrate management of natural and biological resources as well as economic development, fisheries business ventures and investments. It will expand regional cooperation to conserve and manage environmental resources, including overexploited and endangered migratory species and coastal areas of transboundary importance, and addressing the major concern for poaching. It will enable the IMP to put in place sub-regional institutional measures to monitor the effectiveness of resource management measures, building on the Tri-National Committee for SCS. This will allow the three countries to integrate their fisheries management into their coastal management programs at the local level.

**F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED. OUTLINE THE RISK MANAGEMENT MEASURES, INCLUDING IMPROVING RESILIENCE TO CLIMATE CHANGE, THAT THE PROJECT PROPOSES TO UNDERTAKE:**

<b>RISKS</b>	<b>RISK</b>	<b>RISK MITIGATION STRATEGY</b>
Weak political support to sub-regional collaboration on the SCS-LME	Low	<ul style="list-style-type: none"> <li>Project activities and processes that will reduce the risk include consensus building;</li> <li>Linkages will be established to existing regional collaborative platforms, such as BIMP-EAGA and SDS-SEA.</li> </ul>
Limited local-level support to demonstration activities (local communities and local governments)	Low to medium	<ul style="list-style-type: none"> <li>Awareness and capacity building will be supported by the project in order to build ownership</li> <li>Benefit sharing and incentive measures for local community participation will be put in place by the project</li> </ul>
Inundation of mangrove areas due to sea level rise will affect mangrove-dependent species (especially the fry stage)	Low	<ul style="list-style-type: none"> <li>The project will contribute to policy development or reforms towards responsible coastal aquaculture, mangrove harvesting and control of tan barking</li> </ul>
Bleaching of coral reefs due to elevated temperature brought about by warming	Medium	<ul style="list-style-type: none"> <li>The project will contribute to improved coral reef resilience by reducing threats through enforcement initiatives</li> </ul>

**G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT (e.g. \$/ton of CO<sub>2</sub> abated). IF COST-EFFECTIVENESS IS NOT PRESENTED, OUTLINE THE STEPS THAT PROJECT PREPARATION WOULD UNDERTAKE TO PRESENT COST-EFFECTIVENESS AT CEO ENDORSEMENT:**

A cost-effectiveness analysis will be made during the PPG phase using economic valuation and qualitative analytical tools. The range of possible alternative options will be considered, highlighting the cost-benefit differences between individual in-country and proposed tri-national collaborative interventions. A baseline scenario assessment will be undertaken to show the socio-economic impact of zero intervention on selected communities. To be likewise included is an evaluation of existing fisheries management best practices in selected critical sites and extrapolations of upscaled scenarios to be supported by the project.

#### **H. JUSTIFY THE GEF AGENCY COMPARATIVE ADVANTAGE**

UNDP's experience with a broad range of international trans-boundary water interventions is based on high-level adoption of 11 SAPs, seven of which are currently being implemented. In addition to support for the establishment of the world's first post UN Fish Stocks conservation and management organisation for highly migratory fish stocks, the WCPFC, UNDP has strengthened, or established, 13 multi-country marine/coastal, river and lake basin management agencies or Commissions including the Benguela Current and Guinea Current Large Marine Ecosystem Commissions in 2006. It has also a recognized advantage in implementing all types of interventions related to international waters in East Asia (e.g., PEMSEA Regional Programme, SDS-SEA). Strengthened internal coordination through the merging of the GEF IW cluster and the Water Governance Programme will lead to additional strengthening of UNDP's comparative advantage in servicing the full range of international waters interventions in environmental governance, including ocean governance and mainstreaming of environmental priorities into multiple sectors.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINTS AND GEF AGENCIES**


**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

<i>Indonesia</i> (Enter Name, Position, Ministry)	Date: (Month, day, year)
--	--------------------------

<i>Malaysia</i> (Enter Name, Position, Ministry)	Date: (Month, day, year)
---	--------------------------

<i>Philippines</i> Atty. Analiza Rebuelta-The Assistant Secretary and GEF Permanent Alternate Operational Focal Point Department of Environment and Natural Resources	Date: October 4 2007
--	----------------------

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 Andrew Hudson UNDP-GEF Officer-in-Charge	Anna Tengberg Project Contact Person
Date: 16 October 2007	Tel. and Email:+66 2288 2730 Anna.Tengberg@undp.org