

PEMSEA's Self-Sustainability: PEMSEA Post-2020 Futures Strategy and Report

1.0 Background

- 1.1. In 2014, PEMSEA developed a Strategy and Implementation Plan for Achieving a Self-Sustaining PEMSEA, which was approved by the 6th EAS Partnership Council Meeting. Throughout 2015 and 2016, PEMSEA implemented key elements of the plan, including the development of PEMSEA Services, launch of a new PEMSEA brand and continued transformation of the PEMSEA Resource Facility (PRF) into a professional services organization, supporting delivery of projects including the GEF/UNDP project for Scaling up the Implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA), the World Bank project for regional knowledge management and the UNEP project on nutrient management.
- 1.2. In November 2015, Ministers and Senior Government Officials from 11 PEMSEA Partner Countries signed the Da Nang Compact, which includes a target for achieving a self-sustaining PRF managing and coordinating a suite of products, services and financing mechanisms for advancing SDS-SEA implementation at the regional, national and local levels. To support PEMSEA's continuing efforts as it transforms into a fully self-sustaining international organization, the 8th EAS Partnership Council Meeting requested the development of working documents providing an assessment of progress to-date and recommendations on delivery of services, development of new business, mechanisms for financial sustainability and establishment of the PRF as a regional/global hub for coastal and ocean governance and blue economy development. As a result, a Third-Party Assessment Report on PEMSEA's Sustainability with recommendations on financial development and management reforms.
- 1.3. The current focus of PEMSEA's activities is to operationalize the implementation of the SDS-SEA Implementation Plan (2018-2022) and progress towards fulfilling the commitments in the UN 2030 Agenda for Sustainable Development and other relevant commitments. In order to effectively implement this mandate, the 10th Partnership Council endorsed the proposal to prepare and plan for PEMSEA's sustainability beyond 2019, taking into account relevant actions and trends that impact the region and the seas of East Asia to help strengthen its sustainability and attain self-sufficiency.

2.0 Rationale

- 2.1. The PEMSEA post-2020 report was developed to respond to the following questions:
 - What is the future outlook for the East Asian Seas post-2020?
 - What are the relevant trends and emerging issues or opportunities that inform this outlook and will catalyze change and influence decision-making in the region?
 - What topic or issues areas should PEMSEA focus on or prioritize?
 - Taking into account the future trends, what funding models can best support regional and national commitments and priorities?

- 2.2. The desired outcome is a PEMSEA sustainability action plan that would cover both mid- and long-term programs of work and that would also help inform PEMSEA's effective and collaborative positioning towards more sustainable and healthy communities, coasts and oceans.

3.0 Methodology

- 3.1. The process of developing the report started at the 10th Partnership Council in July 2018. It entailed assembling and synthesizing a baseline of relevant PEMSEA data and materials, coupled with face-to-face interviews and questionnaire surveys with global and regional experts and country and non-country partners to identify and review relevant country commitments to international targets and agreements, determine relevant trends, learn from the experts and understand relevant country priorities. It was guided by an advisory group led by Andrew Hudson, UNDP, Jessica Battle, WWF and Antonio La Viña, EAS Partnership Council Chair. (See Annex 1 for a draft copy of the report)

4.0 Key findings

4.1. *Trends Analysis*

- 4.1.1. Forecasts point to four major trends that are set to present the region with its biggest challenges post-2020:

- ***Climate change*** is projected to magnify leading to extreme weather events, sea level rise, ocean warming and ocean acidification and their cascading effects on communities and ecosystems.
- ***Fisheries health*** is forecasted to be under continuous strain due to increasing demand for seafood and the prevalence of unsustainable fishing practices.
- ***Marine pollution***, including nutrient loading and plastic waste, is forecasted to become an increasingly serious threat to the region.
- ***Ocean-based trade and industry*** is predicted to accelerate and cause more pressure on marine habitats and coastal communities.

4.2. *Areas of Cooperation*

- 4.2.1. Despite the challenging prognosis on the future of the EAS, hope emerges through the availability of solutions and a common desire for cooperation across the region:

- ***Ocean Governance*** is improving through the presence of various government and intergovernmental structures that are deepening engagement among stakeholders from the international, national, and community levels towards more efficiently addressing transboundary and local issues.
- ***Technology***, in particular new and emerging technologies, present opportunities for more efficient collection, monitoring, and management of coastal and marine conditions, as well as facilitating novel solutions for addressing coastal and marine issues through new platforms in fintech, and biotechnology applications, among others.

- **Private sector engagement and finance** provide much needed support to the SDGs for the region's oceans and coasts, setting the stage for new approaches towards a blue economy that ensures prosperous and healthy oceans for East Asia.

4.3. **Post-2020 Strategy**

4.3.1. With the *Trends Analysis and Areas for Cooperation* as its foundation, PEMSEA assesses its future and discusses how to sustain its efforts towards further institutionalizing integrated coastal management while expanding its reach and deepening its collaboration with existing and new partners. PEMSEA's Post-2020 Strategy outlines three main strategic objectives to help navigate the organization through a post-2020 world:

Summary of the Post-2020 Strategic Objectives

	Thrusts	Actions
POST-2020 STRATEGIC OBJECTIVE 1 Establish strong expertise and brand awareness centered on future proofing the seas of East Asia	Strengthen PEMSEA's position as a unique intergovernmental body aligned with the diverse challenges and opportunities facing the EAS	<ul style="list-style-type: none"> • Set Clear Policy Agenda • Facilitate Tailored Dialogues • Develop Policy Initiatives and Working Groups • Institution Building • Conduct Targeted Marketing
	Deepen PEMSEA's expertise on key areas such as ocean governance, technology and private sector engagement to become a leading provider of "Solutions for Sustainable Seas"	<ul style="list-style-type: none"> • Establish a priority R&D agenda • Invest in expertise for oceans governance, technology, and private sector engagement • Publish regular thought leadership
POST-2020 STRATEGIC OBJECTIVE 2 Enhance alignment and partnerships with PEMSEA's network of stakeholders	Establish anchor partnerships on selected priority issues across stakeholder segments	<ul style="list-style-type: none"> • Establish at least one self-sustaining anchor partnership annually with a range of multilateral, bilateral, government or private partners
	Develop partnership building capacity	<ul style="list-style-type: none"> • Establish a Partnership Unit
POST-2020 STRATEGIC OBJECTIVE 3 Achieve a diversity and sustainability of funding streams	Enhance the implementation of current approaches for self-sufficiency	<ul style="list-style-type: none"> • Invest in client acquisition and strategic business development • Establish a timeline and work program towards mandatory partner contributions
	Innovate new approaches for self-sufficiency	<ul style="list-style-type: none"> • Conduct joint fundraising activities • Explore, prototype, and establish, as appropriate, a spin-off business entity to conduct dedicated services

4.3.2. To operationalize this strategy, PRF propose to focus on a number of key thrusts and present a prospective list of priority activities for the next five years. With this Post-2020 Futures Report and Strategy, PEMSEA aims to bring together its partners, networks and other ocean stakeholders of East Asia to provide effective, efficient, and long-lasting solutions for sustainable seas.

PRIORITIZING ACTIONS FOR THE NEXT 5 YEARS	Year 0: 2019-2020				Year 1: 2020-2021				Year 2: 2021-2022				Year 3: 2022-2023				Year 4: 2023-2024				Year 5: 2024-2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OBJECTIVE 1: Establish strong expertise and brand awareness centered on future proofing the seas of East Asia.																								
<i>Objective 1. Thrust 1: Strengthen PEMSEA’s position as a unique intergovernmental body aligned with the diverse challenges and opportunities facing the EAS</i>																								
Create Policy Working Group that would develop and finalize the Policy Agenda	Start	Review	Publish				Review				Review				Review				Review				Review	
Develop policy support Initiatives (One major activity per year)							1				1				1				1				1	
<i>Objective 1. Thrust 2: Deepen PEMSEA’s expertise on ocean governance, technology and private sector engagement to become a leading provider of “Solutions for Sustainable Seas”</i>																								
Determine priority R&D Agenda						Start	Review	Publish			Review				Review				Review				Review	
Implement R&D Agenda																								
Conduct marketing and brand awareness campaign, including:																								
Publish article/thought pieces ¹			1	1	1	1	1	1	1	1	1	1	1	2	2	1	1	2	2	1	1	2	2	1
Connect and establish PEMSEA Experts Network (Y2, Q1, formalize and announce development of R&D Agenda)											Formalize													
Create PEMSEA Fellowship (Every Q2)																								
OBJECTIVE 2. Enhance alignment and partnerships with PEMSEA’s network of stakeholders																								
<i>Objective 2. Thrust 1: Establish Anchor Partnerships on Selected Issues across Stakeholder Segments</i>																								
Engage and close Anchor Partnership (start at least one by Y1 Q4)									Start		Close	Start			Close	Start			Close	Start			Close	
Implement Anchor Partnership Projects																								

Objective 2. Thrust 2: Develop Partnership Building Expertise and Capacity																				
Establish a Partnership and Business Development Unit																				
OBJECTIVE 3. Achieve a diversity and sustainability of funding streams																				
Objective 3. Thrust 1: Enhance the implementation of current approaches for self-sufficiency																				
Activate partner contributions programme		Start	Review	Publish																
Develop cost sharing agreement																				
Objective 3. Thrust 2: Develop New Innovative Self-Sufficiency Approaches																				
Develop fundraising agenda		Start	Review	Publish																
Conduct joint fundraising activities																				
Implement fundraising activities																				
Develop spin-off facility of choice																				

5.0 Next steps in the run up to PC July 2019:

- 5.1. The PRF Secretariat to present the financial status of PEMSEA and the critical need for augmented sources of funding
 - Provide a status report on current country contributions, current PEMSEA Fund Size, existing projects and projects in the pipeline, etc.
 - Provide updated financial model based on the Third-Party Assessment and new data since then (2018 audited financial statements, realized contributions and funding commitments, actual expenses)
 - Provide an estimated budget to carry out the proposed actions above and potential sources. (See Annex 2 for financial projections)
- 5.2. The Council Chair to seek feedback on the report, particularly in identifying transboundary initiatives/ activities that will appeal to countries for joint activity and/or joint fundraising.
- 5.3. The PC participants to develop/validate a list of areas/issues where country partners may need assistance (for some countries that need less assistance, the focus may be more on the type of assistance they are willing provide others).
- 5.4. The PRF secretariat to refine the report to determine PEMSEA's strategic priorities which focus on the intersection of trends, funding opportunities and country priorities and develop a PEMSEA post-2020 sustainability plan.

6.0 Actions requested of the Executive Committee:

- 6.1. The EC members are requested to:
 - a) Discuss and provide feedback/comments on the report by addressing the following questions:
 - Did the report sufficiently cover the future trends/outlook for the region?
 - Are there major gaps in the future outlook? Are there gaps in the proposed areas for cooperation?
 - In 2019 onwards, PEMSEA will manage projects on integrated river basin management (7 ASEAN countries), marine pollution reduction (Philippines and Indonesia) and combatting overfishing (Arafura Timor Seas) , what other types of transboundary actions and activities do we need to work on to better engage country partners? Which partners should we actively engage in that would help them in their work?
 - b) Discuss and provide feedback/comments on the report's proposed actions and recommendations post-2020.
 - In preparing for PC, what advice can you provide the PRF in presenting the report and soliciting country and non-country partners' engagement on innovative actions as explained in Objectives 1 and 2?
 - Previous PC meetings indicate the need for mixed sources of funding to ensure PEMSEA's sustainability, including country's voluntary contributions. How can we capture the commitment made in the Iloilo Ministerial Declaration and secure stable and sustained contributions from all PEMSEA members moving forward?