



PEMSEA EC Meeting Report 9

PROCEEDINGS OF THE NINTH EXECUTIVE COMMITTEE MEETING

**PEMSEA Resource Facility
Manila, Philippines**

24 – 25 October 2011



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TABLE OF CONTENTS

| | Page |
|--|-------------|
| A. Introduction | 1 |
| B. Opening of the Meeting | 1 |
| 1.0 PEMSEA Transformation: Sustainable Financing Road Map | 3 |
| 2.0 PEMSEA Transformation: PRF Re-Engineering Plan and Road Map | 7 |
| 3.0 PEMSEA Transformation: PEMSEA Advocacy and Communication Road Map 2011-2013 | 8 |
| 4.0 PEMSEA Rules of Governance Road Map | 9 |
| 5.0 Concept Note: Ministerial Declaration | 11 |
| 6.0 Status Report on the East Asian Seas (EAS) Congress 2012 | 14 |
| 7.0 PEMSEA Codes, Guidelines and Good Practices: Port Safety, Health and Environmental Management (PSHEM) Code and Port Safety, Health and Environmental Management System (PSHEMS) Development and Implementation Guideline | 15 |
| 8.0 PEMSEA Codes, Guidelines and Good Practices: State of the Coasts (SOC) Guidebook | 16 |
| 9.0 Closing Ceremony | 16 |
| Annex 1 Meeting Agenda | 17 |
| Annex 2 List of Participants | 20 |

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Manila, Philippines, 24-25 October 2011

A. INTRODUCTION

- i. The Ninth Executive Committee Meeting was held at the PEMSEA Resource Facility, Manila, Philippines, from 24 to 25 October 2011.
- ii. The Meeting was attended by the EAS Partnership Council Chair, Dr. Chua Thia-Eng; Technical Session Chair, Mr. Hiroshi Terashima; Council Co-Chair Ambassador Mary Seet-Cheng; Intergovernmental Session Co-Chair Undersecretary Analiza Rebuelta-Teh; and Technical Session Co-Chair Prof. Chul-Hwan Koh.
- iii. A representative from the Ocean Policy Research Foundation of Japan participated as an observer. The PEMSEA Resource Facility (PRF) served as the Secretariat for the meeting.
- iv. The provisional agenda for the meeting is attached as Annex 1. A full list of participants is attached as Annex 2.

B. OPENING OF THE MEETING

- i. On behalf of the PEMSEA Resource Facility, Prof. Raphael P.M. Lotilla, Executive Director, welcomed the members of the Executive Committee (EC) to the meeting. Taking off from the discussions and decisions of the 4th EAS Partnership Council meeting held in July 2011, Prof. Lotilla highlighted some of the items that require further guidance and inputs from the Executive Committee. In particular, he emphasized the budgetary implications of the proposed extension of the current GEF project to 2013, as advised by UNDP and UNOPS, as well as the adoption and initiation of the PRF Financial Sustainability and Re-engineering Plans. Prof. Lotilla expressed his gratitude to the EC for their continuing support and advice on key issues that relate to PEMSEA's transformation and sustainability.
- ii. On behalf of the Executive Committee chairs, Dr. Chua Thia-Eng, Council Chair, welcomed the members of the EC, particularly the three new Co-Chairs. Dr. Chua also relayed to the EC, Dr. Li Haiqing's apologies for not being able to attend the meeting due to pressing issues in China.
- iii. As the first expanded EC meeting, Dr. Chua provided a short backgrounder on PEMSEA and highlighted the following unique features:
 - A two-tiered Council system that includes an Intergovernmental Session participated in by the Country Partners and a Technical Session involving both Country and Non-Country Partners;

- An Executive Committee as part of the EAS Partnership Council, which provides further check and balance within the system;
 - Consensus building as part of its operating modality;
 - A PEMSEA Resource Facility providing both Secretariat and Technical Services to the PEMSEA Country and Non-Country Partners, and various collaborators, as well as coordinating the various mechanisms of PEMSEA;
 - A financial system highlighting voluntary contribution from the Country Partners as well as from the Non-Country Partners;
 - Promotion and application of the principles of partnership;
 - Adoption and commitment of countries to the SDS-SEA as a regional strategy
 - Recognition by the countries and various international and regional organizations and programmes of the SDS-SEA as a viable framework for integrated and collaborative planning, monitoring and coordination for the sustainable management of the seas of East Asia;
 - International recognition of integrated coastal management (ICM) as a model and approach to coastal and ocean governance and management; and
 - A lean and effective strong PRF staff that are mainly from the East Asian region.
- iv. Dr. Chua also highlighted the various challenges that PEMSEA is facing, including the need to ensure PEMSEA's technical and financial sustainability; the complex situation in the region; the competition for funds; as well as the importance of engaging all the countries in the region, particularly Malaysia and Brunei Darussalam, which are currently not Country Partners of PEMSEA. As PEMSEA prepares for its transformation into a full-fledged international organization, Dr. Chua underscored the need to: build PEMSEA's regional leadership and to provide an inclusive mechanism that allows for better coordination between and among different institutions/programs in the region; and highlight PEMSEA's relevance to the countries, especially PEMSEA's capacity to assist in implementing initiatives related to climate change adaptation and a blue economy.
- v. Mr. Hiroshi Terashima, Technical Session Chair, emphasized the adoption of the SDS-SEA as a regional framework for the implementation of the World Summit on Sustainable Development (WSSD) Johannesburg Plan of Implementation and Chapter 17 of Agenda 21 as the key contribution of PEMSEA to global initiatives towards sustainable development of the oceans. Mr. Terashima believes that the SDS-SEA has also stimulated the increase in voluntary contributions and participation by Country and Non-Country Partners in PEMSEA programs and initiatives. As the Rio+20 is set for 2012, Mr. Terashima sees a good opportunity for PEMSEA to highlight the SDS-SEA and the regional mechanism of PEMSEA in addressing the sustainable development of the East Asian Seas.
- vi. Ambassador Mary Seet-Cheng, Council Co-Chair, concurred that PEMSEA has demonstrated a number of achievements on the ground. These accomplishments, however, need to be highlighted and promoted. Ambassador Seet-Cheng urged PEMSEA to pump up its advocacy initiatives and mainstream PEMSEA into key initiatives, such as those related to climate change. She further suggested that PEMSEA take advantage of the Rio+20 to promote its work and

- accomplishments. The PEMSEA Partners, particularly the Country Partners, should serve as advocates of PEMSEA in the Rio+20 and highlight the importance and contribution of PEMSEA to the implementation of the WSSD.
- vii. Prof. Chul-Hwan Koh, Technical Session Co-Chair, believes that the SDS-SEA is a well-established strategy. The partnership established by PEMSEA with Country and Non-Country Partners is crucial to implementing the SDS-SEA. Prof. Koh also emphasized that as PEMSEA prepares for its independence as an international organization, the EC's role is very important particularly in supporting and promoting PEMSEA internationally and nationally.
 - viii. Undersecretary Analiza Rebuelta-Teh, Intergovernmental Session Co-Chair, underscored the importance of the 9th EC meeting, particularly in providing the necessary direction to help ensure PEMSEA's sustainability and how to project PEMSEA's leadership in the region. The 2012 East Asian Seas Congress and the Partnership Council to be held during that time will also be critical as a number of key milestones relating to PEMSEA's future are expected to be adopted.

1.0 PEMSEA TRANSFORMATION: SUSTAINABLE FINANCING ROAD MAP (EC/11/DOC/03)

Discussion Highlights:

- 1.1 The Executive Committee reviewed and commented on the Sustainable Financing Road Map, covering the following topics:
 - a. Existing Financial Situation
 - b. Short-term Road Map 2011–2013
 - c. Medium-term Road Map 2014–2016
 - d. Performance Indicators 2011–2016

Conclusions: Existing Financial Situation

The Executive Committee concluded that:

- 1.2 The proposed extension of the current GEF project appears to be financially viable, based on the financial information provided by the Secretariat.
- 1.3 The number of "pipeline" projects being developed by the PRF to support the GEF project extension will increase the workload of the existing PRF staff, which could impact on the efficiency of staff and the quality of outputs from the office.
- 1.4 Internal accounting by PRF shows that the UNOPS overhead was charged at 10.67 percent in 2008 and 10.18 percent in 2009, instead of the agreed rate of 7 percent of the total annual budget. This apparent overcharge, amounting to more than USD 81,000, needs to be reconciled with UNDP and UNOPS.

- 1.5 While the 4th EAS Partnership Council has decided that countries will fund their own participation to Council meetings, it is expected that some countries may require assistance. Contingency funds need to be identified for this purpose.
- 1.6 The extension of the current GEF project to 2013 implies that additional funding will be required to support the conduct of the four Executive Committee meetings (USD 60,000) and two EAS Partnership Council meetings (USD 50,000), which will be held in 2012-2013. This budget seems reasonable, provided that:
- Partner Countries fund their attendance at Council meetings;
 - Partner Countries consider hosting future Council meetings;
 - PRF hosts Executive Committee meetings in Manila;
 - PRF realigns GEF budget, as possible, to support secretariat costs for the meetings;
 - Voluntary contributions from Partner Countries to the Regional Partnership Fund are utilized as a contingency to support future EAS Partnership Council and Executive Committee meetings to 2013.
- 1.7 The EAS Congress is organized and conducted as a self-sustaining activity of PEMSEA, in partnership with the host country, co-conveners, donors and sponsors. Three previous EAS Congresses have generated a reserve fund amounting to USD 330,000, which serves as a funding source for investing in planning and organizing future Congresses. However, PEMSEA's ability to sustain the Congress remains viable only if this initial investment for planning and organizing the EAS Congress can be recovered, primarily through registration fees or other means as agreed with the host country.

Recommendations: Existing Financial Situation

- 1.8 The Executive Committee recommended that the PRF:
- Prepare a budget revision for the GEF/UNDP regional project to cover 2012-2013 and submit it to the Executive Committee for review and approval, prior to submission to UNDP/UNOPS;
 - Forward an Executive Committee resolution to UNDP and UNOPS requesting clarification on the accounting of project funds and the return of excess overhead costs for 2008 and 2009 to the project budget, for use in project implementation activities;
 - Utilize voluntary contributions in the Regional Partnership Fund as a contingency to support future EAS Partnership Council and Executive Committee meetings; and
 - Confirm the process for recovering PEMSEA's investment in the EAS Congress 2012 with the host institution, the Ministry of Land, Transport and Maritime Affairs, RO Korea.

Conclusions: Short-term Road Map 2011-2013

The Executive Committee concluded that:

- 1.9 In support of PEMSEA's transformation process, the implementation of the PRF Re-engineering Plan is a priority activity that entails realigning the structure and functions of the PEMSEA Resource Facility, identifying and promoting the services to be provided by the PRF to Country and Non-Country Partners, transforming existing relationships with UNDP, GEF, The World Bank and other international agencies into partnership arrangements between international organizations, and undertaking proactive measures to achieve financial sustainability.
- 1.10 Funding to support the establishment of the PRF Core Group, consisting of 2 international posts (Executive Director; Head, Policy and Planning Office) and 3 local posts (Head, Finance, Administration and Human Resources; PEMSEA Secretariat Coordinator; Executive Assistant), is through voluntary contributions from Partners. PEMSEA's source of voluntary contributions is the Regional Partnership Fund, which presently receives annual contributions from China, Japan and RO Korea. UNDP Manila manages the Regional Partnership Fund.
- 1.11 The transfer of PRF personnel and posts from the existing GEF project to the PRF Core Group under the Regional Partnership Fund will require discussion/negotiation with officials in UNDP, UNOPS and contributing countries. The Executive Committee should be kept informed of these negotiations, and may be called upon to discuss the arrangements with their counterparts in the contributing countries.
- 1.12 Developing and implementing minimum fiduciary standards consistent with international best practice will enhance PEMSEA's credibility in financial management with various donors, international organizations and the business community.
- 1.13 Accreditation of PEMSEA as a GEF Project Agency has the potential benefit of reducing administrative overhead charges that are currently paid to Executing Agencies. Other options, such as certification of PEMSEA as a UNDP Implementing Partner, also serve as a potential opportunity to PEMSEA. The costs and benefits of these various options warrant further assessment.
- 1.14 In accordance with the recommendations of the GEF Stocktaking meeting, conducted in October 2010, the planning and development of the next phase of PEMSEA will be considered within the context of a larger GEF/UNDP Regional Platform program for the East Asian Seas. The SDS-SEA provides the framework for such a program, and PEMSEA is recognized as the regional organization with the legal mandate to coordinate the implementation of the SDS-SEA. Therefore, the PRF needs to work closely with UNDP, GEF Secretariat, other sub-regional seas projects, as well as participating countries in the region to develop the regional platform program and the associated projects.
- 1.15 Other viable options to diversify the income stream of PEMSEA include:
 - Developing service agreements with countries on specific projects or capacity development activities requiring PRF support. The service agreements

- should be focused on specific projects and clearly differentiated from voluntary contributions of countries;
- Incorporating 'PEMSEA services' into projects and programs of international organizations and sponsors, as well as regional projects and programs, within and outside the region;
 - In collaboration with Partners Countries, developing and marketing a portfolio of flagship projects in support of SDS-SEA implementation to donors, foundations and international organizations;
 - Developing and launching a communication/advocacy initiative aimed at branding PEMSEA as a regional knowledge platform in coastal and ocean governance; and
 - Enhancing the capacity and performance of existing PRF staff to respond to existing and emerging needs of Partners.

Recommendations: Short-term Road Map 2011-2013

1.16 The Executive Committee recommended the adoption and implementation of the short-term road map, as modified based on the comments provided during the meeting, and directed the PRF to:

- Complete a cash flow analysis of the activities identified in the short-term road map, including the amounts and sources of funds, and provide the information to the Executive Committee for approval, prior to commencing the identified activities;
- Target a two-year timeframe (31 December 2013) for the full implementation of the PRF Re-engineering Plan, including financial sustainability of the PRF;
- Consult and build consensus among the three contributing countries (i.e., China, Japan, and RO Korea), UNDP Manila (i.e., the Fund Manager) and UNOPS (i.e., the Executing Agency for the current GEF project), regarding staffing/transfer of PRF personnel into the three PRF Core Group posts, and covering the salaries of the three core staff using country contributions to the Regional Partnership Fund (November 2011);
- As a priority, proceed with PEMSEA certification of fiduciary standards consistent with international best practice. Develop and implement a plan for achieving certification, with GEF and/or through other organizations including UNDP and The World Bank, as appropriate (December 2012). PEMSEA Country Partners attending the GEF Council should be encouraged to support PEMSEA's application for GEF accreditation;
- Initiate the planning and development of the next phase of the GEF/UNDP/PEMSEA regional project as part of the proposed GEF/UNDP Regional Platform Program for the East Asian Seas. The target date for submission of the GEF grant application to the GEF Council meeting will be June 2012; and
- In collaboration with Country Partners, the World Bank and GEF, develop and initiate a medium-sized project on knowledge management in support of SDS-SEA implementation and the GEF/World Bank Platform Program for Sustainable Development of LMEs and Coasts in the East Asian Seas Region (June 2012).

Conclusions: Medium-Term Road Map 2014 to 2016

1.17 The Executive Committee concluded that there are a number of options to be considered in support of PEMSEA's financial sustainability in the medium-term, including:

- Organization and implementation of a PEMSEA regional network of businesses investing in ICM scaling up programs;
- Establishment of an SDS-SEA Endowment Fund; and
- Development and implementation of a Professional ICM Certification Program as a PEMSEA service to the region.

Recommendations: Medium-Term Road Map 2014 to 2016

1.18 The Executive Committee recommended that the PRF proceed with the conceptualization and planning of the medium-term road map, building the development of such initiatives into future project proposals to be funded by donors and other potential investors.

2.0 PEMSEA TRANSFORMATION: PRF RE-ENGINEERING PLAN AND ROAD MAP (EC/11/DOC/04)

Discussion Highlights:

- 2.1 It was clarified that the Recognition of International Legal Personality is accorded to PEMSEA as a whole and the PEMSEA Resource Facility (PRF) serves as the administrative mechanism of PEMSEA. In this regard, the Executive Director of the PRF is responsible for representing PEMSEA at various discussions and transactions pertaining to legal matters or issues of PEMSEA as an organization.
- 2.2 There is a need to establish clear linkage between the Terms of Reference of the Executive Director and the functions of the Executive Committee and the EAS Partnership Council. In particular, the reporting system should be clarified to ensure accountability.
- 2.3 Under the Re-engineered PRF, it is necessary to clarify the linkage and operating process between the project manager(s) and the ED as overall head of the PRF.
- 2.4 The Terms of Reference of the Head of the Policy and Planning Office need to highlight advocacy and communication as one of the post's core functions.
- 2.5 Under the Terms of Reference of the Legal Counsel, the operational arrangements or contracting of the Legal Counsel should be based on a daily fee system.
- 2.6 In order to ensure that the RTF/NTF will effectively provide the necessary technical support to PEMSEA programs, the selection process of the RTF/NTF members should be clear and proper trainings and certification need to be in

place. A trial period may also be explored to gauge the capacities of candidates or nominees for RTF and NTF.

- 2.7 The PRF Re-engineering Plan should clearly illustrate the transition of the staff and their roles and responsibilities from the current phase into the new phase of PEMSEA.
- 2.8 In view of the financial status or challenges during the transition period, the annual salary and benefits of staff need to be carefully assessed, subject to further adjustment as project funding is secured for the new phase.
- 2.9 The estimated Operational Costs of the PRF Core Group and the PEMSEA Office require further assessment by the Secretariat.

Conclusion:

- 2.11 The Executive Committee concluded that it is integral for the PRF to commence immediately with the execution of the PRF Re-engineering Plan in line with the transition process of PEMSEA.

Recommendations:

- 2.10 The Executive Committee recommended that the PRF Re-engineering Plan and Road Map be adopted and implemented with the following minor modifications:
 - Inclusion of ICM training manual and guidelines, ICM Code, and the curriculum for post-graduate degree ICM course under Product Development;
 - Update the table on Estimated Annual Salary and Benefits for PRF Core Group to indicate that it will be applied during the Transition Stage only;
 - Incorporate the year 2013 into the work schedule, to make the re-engineering plan consistent with the financial sustainability road map; and
 - Modify the TOR of the Executive Director to reflect discussions on accountability, reporting system and linkage with the Executive Committee and the EAS Partnership Council.
- 2.11 The Executive Committee further recommended that the PRF staff be engaged and clarified on the details of the PRF Re-engineering Plan and Road Map.

3.0 PEMSEA TRANSFORMATION: PEMSEA ADVOCACY AND COMMUNICATION ROAD MAP 2011-2013 (EC/11/DOC/05)

Discussion Highlights:

- 3.1 PEMSEA has produced and continues to develop high-quality information materials on various aspects relating to coastal and ocean governance and management. However, there is a need to build up awareness and appreciation of PEMSEA materials through vigorous publicity and promotions.

- 3.2 In order to make the PEMSEA e-Updates more interesting, the following may be explored: (a) inclusion of good pictures or images supported by short but catchy descriptions; (b) inclusion of stories highlighting the various activities of PEMSEA staff, partners and collaborators; (c) some specific topics may be classified and released to a specific target audience; and (d) an updated and expanded PEMSEA mailing list.
- 3.3 In building PEMSEA's brand name, it is important to increase PEMSEA's visibility and name recall through the inclusion of PEMSEA's logo on various information and promotional materials and documents, including in the e-Updates, Tropical Coasts magazine, etc.

Conclusions:

- 3.4 The Executive Committee concluded that:
- PEMSEA advocacy efforts should aim to build countries' confidence in PEMSEA in order to encourage increased voluntary contribution and participation in PEMSEA initiatives or programs;
 - Strengthened PEMSEA Advocacy and Communication initiatives are integral to establishing PEMSEA's leadership in the region as a Knowledge Center and Platform for Coastal and Ocean Governance; and
 - The Medium-sized Project on knowledge management with the World Bank will serve as a good vehicle to establish PEMSEA as a regional knowledge management platform.

Recommendations:

- 3.5 The Executive Committee recommended that the PEMSEA Advocacy and Communication Road Map 2011-2013 be adopted and implemented, taking into account the comments from the meeting.
- 3.4 The Executive Committee further recommended that the PRF intensify the publicity and promotions of PEMSEA activities and materials through regular exposure to a wider audience and by engaging various PEMSEA Partners in building up the PEMSEA brand name and image as the regional knowledge center for coastal and ocean governance in East Asia.

4.0 PEMSEA RULES OF GOVERNANCE ROAD MAP (EC/11/DOC/06)

Discussion Highlights:

- 4.1 Comments submitted by countries on the PEMSEA Rules of Governance are acceptable and will be considered in the final draft.
- 4.2 Existing administrative and procurement manuals from UNDP, UNOPS, ADB and other international institutions can serve as basis for developing Annexes 7-10 (Investment Management and Guidelines, Procurement Guidelines, Code of Ethics, and Rules and Procedure and Investigation) of the PEMSEA Rules of

Governance. However, these rules and regulations are quite complex and will need to be modified to fit the needs of PEMSEA and, at the same time, ensure compliance with international fiduciary standards.

- 4.3 All relevant government agencies in the Philippines have submitted their Certificate of Concurrence on the Headquarters Agreement (HQA) except for the Department of Finance, which is still reviewing provisions pertaining to exemption of taxes. Pending the concurrence of the Department of Finance, a request has already been submitted to the Department of Foreign Affairs to prepare the ratification document for submission to the President in order to fast-track the process. It is expected that the entire process, including review and approval by the Senate, will be completed by December 2012.

Conclusions:

- 4.4 The Executive Committee expressed appreciation to the Department of Environment and Natural Resources of the Philippines and to Usec. Analiza Rebuelta-Teh, in particular, for facilitating the approval of the Headquarters Agreement of PEMSEA with the Government of the Philippines.
- 4.5 The Executive Committee concluded that it will be beneficial for the PEMSEA Rules of Governance to follow and adopt some of the existing international guidelines and manuals, with the ultimate objective of enhancing the effectiveness and efficiency of PEMSEA as an organization.

Recommendations:

- 4.6 The Executive Committee recommended that the PEMSEA Rules of Governance Road Map be adopted and implemented in line with the following schedule:

| Expected Outputs | Tasks and Activities | Date | Driver | Support |
|-------------------------|----------------------------------|-----------------------|-------------------------|----------------|
| Headquarters Agreement | Finalize the HQA | November 2011 | PRF | |
| | Transmittal to DFA | December 2011 | DENR | PRF |
| | Review of HQA | January 2012 | DFA | DENR, PRF |
| | Approval of HQA | January 2012 | DFA | PRF |
| | Signing | February 2012 | PRF/DFA | DENR |
| | Certificate of Concurrence | February 2012 | DFA | DENR |
| | Presidential Ratification | March 2012 | Office of the President | DFA, DENR, PRF |
| | Senate Hearings | April – November 2012 | Senate | PRF, DENR, DFA |
| | Senate Concurrence | December 2012 | Senate | PRF, DENR, DFA |
| | UN Registration | | DFA, PRF | |
| Governance and By-Laws | Investment Management Guidelines | December 2011 | PRF | |

| Expected Outputs | Tasks and Activities | Date | Driver | Support |
|------------------|--|-----------------------|--------|---------|
| | Procurement Guidelines | | PRF | |
| | Code of Ethics | January 2012 | PRF | |
| | Rules of Procedure and Investigation | | PRF | |
| | Review of Governance and By-laws with complete Annexes | February – March 2012 | PC, EC | PRF |
| | Adoption of Governance and By-laws | July 2012 | PC | PRF |

- 4.5 The Executive Committee further recommended that the PRF, in collaboration with the DENR Philippines, explore the possibility of pushing for early approval of the Headquarters Agreement by the Philippine Senate in time for the East Asian Seas Congress in July 2012.

5.0 CONCEPT NOTE: MINISTERIAL DECLARATION (EC/11/DOC/07)

Discussion Highlights:

- 5.1 While there is currently no universal definition of Blue Economy, recent developments, particularly the ongoing preparations for Rio+20, show an emerging consensus on the importance of the oceans at the global level. This highlights “Blue Economy” as a new trend of development and an economic driver that facilitates sustainable development, with emphasis on the ocean or marine economy.
- 5.2 A number of studies and documents being developed for Rio+20 advocate for the development of an Ocean Agenda that is geared towards “making the green economy blue.”
- 5.3 The accomplishments in the East Asian Seas region and efforts undertaken by PEMSEA through the implementation of the SDS-SEA and ICM are consistent with the fundamental principles of sustainable development on social equity, economic development and environmental protection. These initiatives have already laid down the foundation and basis for building a blue economy.
- 5.4 The Ministerial Declaration to be developed for the EAS Congress 2012 will therefore serve as a timely response by the region to the global targets and (the possible) Ocean Agenda of Rio+20.
- 5.5 The movement towards a programmatic approach in the management of coasts and oceans in the region and the growing recognition of the SDS-SEA as the most viable framework for integrated coastal and ocean governance, places

- PEMSEA in a vantage position to lead the initiatives in building a blue economy in East Asia.
- 5.6 Given the limited information and vague concept of the blue economy, there is a need to develop a document for distribution to the PEMSEA Country Partners. The document should be informative, building familiarity with and support for the concept of an ocean-based blue economy and the connection to implementation of the SDS-SEA.
- 5.7 The East Asian Seas Congress 2012, which will carry the theme of blue economy, needs to highlight discussions on the ocean-based blue economy in the various workshops.

Conclusions:

- 5.8 The Executive Committee concluded that:
- Emphasis on ocean-based blue economy provides a clear focus for the Ministerial Declaration;
 - SDS-SEA already serves as the framework for an ocean-based blue economy in the region and a platform to coordinate various initiatives or programs related to sustainable coastal and ocean development, including efforts on climate change adaptation and other emerging issues in the region;
 - Adoption of the Fourth Ministerial Declaration will position PEMSEA as the lead organization and a key mechanism in the East Asian Seas region for implementation of the Ocean Agenda of Rio+20.
- 5.9 PEMSEA Country Partners need to champion the promotion of the region's accomplishments and initiatives undertaken through PEMSEA and the SDS-SEA at the Rio+20 that are contributing to the building of a blue economy, and should be requested to include these initiatives in their country statements at the Rio+20.

Recommendations:

- 5.10 The Executive Committee recommended that:
- The Ministerial Declaration be entitled, "Changwon City Declaration on Implementing the SDS-SEA to Sustain Ecosystem Services for an Ocean-based Blue Economy in the Seas of East Asia Region."
 - The Concept Note of the Ministerial Declaration be modified to include the following:
 - Highlight the SDS-SEA as PEMSEA's major contribution to restoring and sustaining ecosystem services;
 - Emphasize the increasing international recognition of the SDS-SEA as a regional framework and platform for sustainable coastal and ocean governance;
 - Underscore the key successes of ICM in enhancing coastal and ocean development at the local level;

- Highlight the increasing participation of the PEMSEA Network of Local Governments for Sustainable Coastal Development (PNLG) as a PEMSEA Partner focused on enhancing coastal and marine management at the local level; and
- Detail the growing cooperation and partnerships in support of SDS-SEA implementation across the East Asian Seas region.

5.10 The Executive Committee directed the PRF to proceed with the TWG consultation and development of the Ministerial Declaration, in accordance with the following schedule:

| Activity | Date |
|---|---|
| Initial consensus on the focus and objectives of the Declaration | 4 th EAS Partnership Council Meeting (July 2011) |
| Establishment of the TWG for the drafting of the Declaration | September 2011 |
| 1 st Draft of the Declaration and consultation with Country Partners | November 2011 |
| Consolidation of comments for review by the 9 th Executive Committee Meeting | November/December 2011 |
| 2 nd Draft of the Declaration and consultation with Country Partners | January 2012 |
| Preparation of a Policy Brief for dissemination to Country Partners along with the 2 nd Draft | January 2012 |
| Consolidation of comments and final review | February 2012 |
| Consensus on the final draft | March 2012 |
| Dissemination of Policy Brief and 5-year National SDS-SEA Implementation Plans at RIO+20 | June 2012 |
| Presentation of 5-year Regional SDS-SEA Implementation Plan and signing of Ministerial Declaration during the EAS Congress 2012 | July 2012 |

5.11 The Executive Committee further recommended that the PRF prepare a policy brief in support of the proposed Declaration for distribution to the PEMSEA Country Partners in preparation for the Rio+20. The policy brief shall be prepared for the purpose of establishing a better understanding of the connection between SDS-SEA implementation and an ocean-based blue economy, as well as the linkage with the objectives and actions identified in the Ocean Agenda of Rio+20.

6.0 STATUS REPORT ON THE EAST ASIAN SEAS (EAS) CONGRESS 2012 (EC/11/DOC/08)

Discussion Highlights:

- 6.1 One thousand five hundred (1,500) participants is the target set for the EAS Congress 2012 (i.e., 500 international and 1,000 local). However, the challenge lies in ensuring the attendance of this number of participants, particularly representatives from developing countries of the region, considering the high costs of travel and accommodation.
- 6.2 Initial feedback from developing countries indicates that they will require further co-financing or full sponsorship in order to participate in the Congress.
- 6.3 The Ministry of Land, Transport and Maritime Affairs (MLTM) of RO Korea, the host agency for the Congress, has submitted its budget request to the Ministry of Finance of RO Korea. The budget will be confirmed by end of December 2011. Following budget confirmation, MLTM will be able to provide information on the allocation of funds for the Congress, including assistance to participants from developing countries.
- 6.4 Charging of registration fees is not normally practiced in RO Korea. It is important for the PRF to clarify and identify with MLTM possible means of subsidizing local registration fees as part of the system to recover the PRF's core operating expense of the Congress.
- 6.5 In order to cover the expenses of major speakers as well as some delegates from developing countries, the PRF as well as the host country need to work together to secure co-conveners and sponsors for the Congress.
- 6.6 In identifying possible keynote speakers, forums such as The Economist's World Oceans Summit, which will focus on engaging the global business community in the development of the world's oceans, may serve as good source of speakers on the blue economy.

Conclusion:

- 6.7 The Executive Committee concluded that an assessment of the viability of organizing and conducting the EAS Congress needs to be undertaken to ensure that the PRF's core expenses can be recovered and that the EAS Congress 2012 targets will be met.

Recommendations:

- 6.8 The Executive Committee recommended that the PRF:
 - Review the initial budget estimate for the Congress and assess the financial and practical viability of the EAS Congress, taking into account the participation of PEMSEA Partner Countries, Non-Country Partners, sponsors,

collaborating organizations, local governments, scientific and academic institutions and other major stakeholders;

- Check other major regional and international conferences for possible keynote speakers;
- Submit a report of the EAS Congress 2012 assessment to the Executive Committee, along with the revised budget, including sources of funding to support organizational and operating costs.

7.0 PEMSEA CODES, GUIDELINES AND GOOD PRACTICES: PORT SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT CODE AND PORT SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT SYSTEM DEVELOPMENT AND IMPLEMENTATION GUIDELINE (EC/11/DOC/09)

Discussion Highlights:

- 7.1 The approval of PEMSEA Codes, Guidelines and Good Practices is largely dependent on the assessment and recommendation of the respective expert working groups.
- 7.2 The application of the PSHEM Code and PSHEMS Development and Implementation Guideline is eventually being considered as a cost-recovery service for PEMSEA. PEMSEA needs to partner with companies that have experience in developing a business strategy and marketing such products and services.
- 7.3 To further strengthen the credibility and value of the PSHEM Code and PSHEMS Development and Implementation Guideline, the EAS Partnership Council can draft a Resolution for the International Maritime Organization (IMO) to highlight and recommend implementation of the PSHEM Code. Ambassador Mary Seet-Cheng offered to assist in helping process this resolution through the IMO.

Conclusion:

- 7.5 The Executive Committee concluded that the PSHEM Code and PSHEMS Development and Implementation Guideline are impressive case examples of PEMSEA-certified documents that should be promoted and marketed.

Recommendations:

- 7.6 The Executive Committee recommended that the:
- PSHEM Code and PSHEMS Development and Implementation Guideline be approved as PEMSEA-certified documents;
 - PRF proceed with the copyright and publication of the documents and promote and disseminate the materials in accordance with the advocacy plan;
 - PRF draft the EAS Partnership Council's Resolution for approval by the EC and the Partnership Council members and for submission to IMO;

- PRF explore possible marketing companies to develop the business strategy for the PSHEM Code and PSHEMS Development and Implementation Guideline.

8.0 PEMSEA CODES, GUIDELINES AND GOOD PRACTICES: STATE OF THE COASTS GUIDEBOOK (EC/11/DOC/10)

Discussion Highlights:

- 8.1 The OPRF of Japan is interested in translating the SOC Guidebook into Japanese. A request from OPRF to the PRF is forthcoming.
- 8.2 Developing a business strategy for the State of the Coasts would promote and expand the market for the SOC.

Conclusions:

- 8.3 The Executive Committee concluded that translating the SOC Guidebook into different national languages will help enhance the value and appreciation of the SOC.

Recommendations:

- 8.4 The Executive Committee recommended that the:
- SOC Guidebook be approved as a PEMSEA-certified document;
 - PRF proceed with accessing copyright and publication of the SOC Guidebook for promotion and dissemination in accordance with the advocacy plan.

9.0 CLOSING CEREMONY

- 9.1 Prof. Lotilla expressed his gratitude to the Executive Committee members for their valuable suggestions, inputs and new perspectives on the key agenda items of the meeting.
- 9.2 The Council Chair thanked the Executive Committee members for their participation. He expressed appreciation to the Secretariat for organizing the meeting. The Council Chair closed the meeting at 6:30PM, 25 October 2011.

**ANNEX 1
MEETING AGENDA**

MEETING AGENDA

1.0 PEMSEA Financial Strategy and Road Map

The 4th EAS Partnership Council Meeting accepted the advice from GEF/UNDP to extend the current Project on SDS-SEA Implementation to mid-2013. The Council requested the PRF to re-profile the balance of the project budget to cover PRF personnel and operating costs to June 2013.

The EC will review the implications of the project extension on the project budget, as well as the financial strategy and road map (i.e., the Financial Sustainability Plan) to sustain PEMSEA after financial support from GEF has ceased.

2.0 PEMSEA Transformation

The 4th EAS Partnership Council reviewed and approved in principle the following documents concerning PEMSEA's transformation: (a) PEMSEA Rules of Governance; (b) 5-Year SDS-SEA Implementation Plan; (c) PRF Re-engineering Plan; and (d) PEMSEA Advocacy and Communication Plan. The Council requested the EC to oversee the finalization of these transformation documents.

The EC will review the progress and road map for completing the 5-year SDS-SEA Implementation Plan. The EC will also review final versions of the PEMSEA Rules of Governance, PRF Re-engineering Plan, and Advocacy and Communication Plan, for submission to the next meeting of Council, as appropriate.

The PRF will also update the EC on the status of the discussions with the Government of the Philippines regarding the Headquarters Agreement, and provide a road map for completing the process.

3.0 Fourth Ministerial Forum: Draft Declaration

The 4th Partnership Council Meeting directed the PRF to proceed with the development of the Draft Ministerial Declaration for the Fourth Ministerial Forum focusing on the adoption of the regional 5-Year SDS-SEA Implementation Plan that will contribute in building a Blue Economy in the East Asian Seas region.

The PRF will present the draft Ministerial Declaration with the inputs from the various TWG members from PEMSEA Country Partners. The EC will be invited to comment on the draft document.

4.0 East Asian Seas (EAS) Congress 2012

The PRF will advise the EC on preparations for the EAS Congress 2012, including the international conference and invited keynote speakers. The EC will

be invited to comment on the preparations and any issues/constraints raised by the PRF.

The EC will also be invited to discuss potential sites for the EAS Congress 2015.

5.0 Port Safety, Health and Environmental Management (PSHEM) Code and Implementation Guideline, and State of the Coasts (SOC) Guidebook

The 4th EAS Partnership Council Meeting approved the PSHEM Code and PSHEMS Development and Implementation Guideline as well as the SOC Guidebook in principle. The EC was requested to approve the final versions of both documents, pending any further comments from the PEMSEA Partners.

The final versions of the two documents will be presented to the EC for approval.

6.0 Other Business

ANNEX 2
LIST OF PARTICIPANTS

LIST OF PARTICIPANTS

EXECUTIVE COMMITTEE

Dr. Chua Thia-Eng
Chair, EAS Partnership Council
DENR Compound, Visayas Avenue
Quezon City, Philippines
Telephone: (632) 929 2992
Fax: (632) 926 9712
Email: chuate@pemsea.org

Mr. Hiroshi Terashima
Chair, Technical Session
EAS Partnership Council
Executive Director
Ocean Policy and Research
Foundation
1-15-16 Toranomom, Minato-ku
Tokyo, Japan 105-0001
Tel. +81-3-3502-1828
Fax. +81-3-3502-2033
E-mail: h-terashima@sof.or.jp

Ambassador Mary Seet-Cheng
Council Co-Chair,
East Asian Seas Partnership Council
and
Senior Specialist Adviser and
Non-Resident Ambassador of Singapore
to Panama and Cuba
Ministry of Foreign Affairs
Singapore
Tel: 65 6379 8106
Fax: 65 6379 8128
Email: Mary_SEET-
CHENG@mfa.gov.sg

Atty. Analiza Rebuelta-Teh
Intergovernmental Session Co-Chair
East Asian Seas Partnership Council
and
Undersecretary and Chief of Staff
Foreign-Assisted & Special Projects
(FASPO)
Department of Environment and Natural
Resources
Republic of the Philippines
Tel: (632) 925-2327/ 926-8074

Fax: (632) 926-8065
Email: tehanna08@gmail.com;
analiza@denr.gov.ph

Prof. Dr. Chul-Hwan Koh
Technical Session Co-Chair
East Asian Seas Partnership Council
and Professor of Marine Biology
School of Earth and Environmental
Sciences (Oceanography)
College of Natural Sciences
Seoul National University
Seoul 151-742
Republic of Korea
Tel: 82-2-880-6750
Fax: 82-2-872-0311
Email: chulhwankoh@gmail.com;
kohch@snu.ac.kr

Prof. Raphael P.M. Lotilla
Executive Director
PEMSEA
DENR Compound, Visayas Avenue
Quezon City, Philippines
Telephone: (632) 929-2992
Fax: (632) 926-9712
Email: rlotilla@pemsea.org

OBSERVER

OPRF

Mr. Takashi Ichioka
Ocean Policy Research Foundation
Policy Research Department
General Manager
Kaiyo Senpaku Bldg.
1-15-16, Toranomom, Minato-Ku, Tokyo
105-0001 JAPAN
Tel: +81-3-3502-1965
Fax: +81-3-3502-2127
E-mail : t-ichioka@sof.or.jp

PEMSEA SECRETARIAT

Stephen Adrian Ross
Chief Technical Officer
Email: saross@pemsea.org

Guo Yinfeng
Programme Specialist Partnership
Programmes
Email: gyinfeng@pemsea.org

Kathrine Rose Gallardo
Technical Officer for Events
Management and
SDS-SEA Monitoring and Evaluation
Email: krgallardo@pemsea.org

Visiting Address:
PEMSEA Office Building
DENR Compound, Visayas Ave.,
Quezon City, Philippines

Mailing Address:
P.O. Box 2502
Quezon City, 1165, Philippines
Telephone: (632) 929-2992
Fax: (632) 926-9712
Website: www.pemsea.org