

ANNEX II

to Contract CC/FVorhies/CGL/kdm100805

Supplementary Project Material

- A. 3rd GEF International Waters Conference: Proceedings of LME Break-out Sessions
- B. Summary of Project Activities between March 22 and July 31
- C. Summary and Excerpts of e-Forum Activities between March 22 and July 10
- D. Project Contract

A.

3rd GEF International Waters Conference: June 20-25, 2005 - Salvador, Bahia / Brazil: Proceedings of the Large Marine Ecosystem Break-out Sessions

The 3rd IW Conference aims to (1) foster learning, knowledge sharing and collaboration among GEF IW projects, GEF agencies, participating governments, and others, and (2) identify and disseminate lessons and experiences to improve IW management world-wide. The conference will also serve as a launch phase for three years of peer-to-peer structured learning within various subsets of the IW community: groundwater, rivers, lake basins, coastal, and marine areas. Specific sessions of the conference will help to (1) refine indicators for IW management impact, (2) explore approaches for promoting integration across GEF focal areas, and (3) examine sustainable financing mechanisms to support continuing progress when GEF projects end. The IW:LEARN Project is organizing the conference, and IUCN will facilitate the LME Working Group.

Rapporteur – Andrew Cooke (FAO)

Facilitators - Carl Gustaf Lundin,

Kirsten Martin, Kristin Sherwood (IUCN)

Overview

The operational phase of the International Waters Learning Exchange and Resource Network (IW:LEARN) project includes “Structured Learning” activities for aquifers, lake basins, river basins and large marine ecosystems. IUCN-Global Marine Programme (GMP) serves as the Partnership Activity Leader (PAL) for Structured Learning related to Large Marine Ecosystems. This initiative intends to enhance transboundary waters management of planned and ongoing LME projects through sharing experiences among partners within the GEF IW portfolio. To achieve this, the IUCN-Global Marine Programme is coordinating a series of topic-based learning activities through face-to-face meetings and an electronic forum between regional projects around the world.

The e-Forum was kicked off on World Water Day 2005 (March 22), and the first face-to-face meeting took place during the International Waters Conference in Salvador, Brazil in June 2005. IUCN-GMP was tasked with the development of three LME breakout sessions during the conference. Outputs from these sessions include: Structured Learning Workplan (I) for the next two years of the project (to include a prioritized list of topics to be addressed during the coming years of the e-Forum), as well as development of Proceedings for these sessions (II). Both outputs are included within this document.

I. Summary of the LME Structured Learning Workplan

The LME e-Forum aims to complement and increase the impact of conference/face-to-face outcomes, and thereby of the structured learning initiative as a whole. It focuses on an exchange of practical experiences and expert input related to a specific topic within a small group of project managers.

During the initial stage (March 22 – June 10 2005) of the e-Forum, 107 forum participants exchanged 56 e-mails. Discussions during the first half of this period were dedicated to participant introductions, and during the second period were focused on developing learning priorities to be addressed during the coming two years of forum dialogue. The topic list was refined and prioritized during the IW Conference, and priority topics will be the basis for quarterly discussions on the LME e-Forum.

Priority topics for structured learning activities included:

1. Economic valuation of marine resources (25+ votes)
2. Incorporating socio-economics in LME management (25+ votes)
3. Governance and institutional arrangements for LMEs (17 votes)
4. Public/private participation within LME planning and management (12 votes)

Other priorities that will be addressed in later 2006/2007 include project management, coastal zone management/MPAs, and ballast water management within LMEs.

2. Summary of LME Break-out Sessions

SESSION 1: Share experiences and plan future learning activities

Objectives:

- Share individual project experiences
- Contribute to design of structured learning activities with IW:LEARN partnership activity leads

Method:

- Share knowledge, experiences & advice (case study presentations, discussions)
- Express learning needs to help structure future LME learning activities

Activities:

- Short presentations followed by an opportunity for discussion.
- Presenters asked to give their parting thoughts.
- (Invited participants from World Bank / GEF Implementing Agencies with experience of closed seas projects to assist with this session.)

Results:

I. Presentations

Biliana Cicin-Sain – Moving ahead the Global Oceans Agenda (Global Forum on Oceans, Coasts and Islands 2005-2007) -- focused on the past work, findings and future work of the Global Forum on Oceans, Coasts and Islands. Studies consistently show that marine ecosystems and resources are in trouble. Socio-economic information on the effects thereof is lacking, while indications are that this is not improving for continuing poverty and deteriorating human health.

The Global Forum is an open, informal, inter-sectoral vehicle that seeks to advance the global oceans agenda through promoting international legal agreements, assessing emerging issues and promoting consensus on unresolved issues through high-level advocacy. Since 1994, the Forum has organised global conferences, produced reports and provided internationally relevant information. Now with the benefit of additional GEF funding and co-finance the Forum enters a second phase 2005-2007.

She highlighted the need for nesting different governance approaches, improving links between watershed, coastal and oceans management and improving high seas governance. While some 100 states have tried ICZM/ICM, scaling up, greater integration and financing are needed, but with much more focus on socio-economic aspects and capacity building. Regional processes can help with EEZ and shelf mapping, fisheries agreement negotiation, MPA networks, new offshore activities.

The Global Forum program, for 2005-2007 will focus on ICM/ICZM, SIDS, integration of watersheds and outreach. Upcoming events include an Oceans Policy summit in October 2005 to analyse experience and provide guidelines, a global conference in January 2006 focusing on achieving WSSD targets, including a donors' roundtable.

Jan Thulin, Baltic Sea Regional Project (BSRP) – After briefly highlighting the particular nature of the Baltic Sea and its environmental problems, the presentation described the institutional landscape, project components,

LME components (sea, coast, land) and the project organisational structure. While the project structure was complex, it worked well because it was based on already existing institutions and networks (giving ownership), and hand picking the best scientists from national institutions as focal points (giving motivation and quality).

In general BSRP stakeholders participated willingly, with the exception of national politicians who did not see the interest in working with counterparts other sectors or on a regional level. This is the single major challenge of the project. Donor cooperation had been good, with additional funds now identified through the EU Bonus 169 project. The main conclusions were:

1. Organisation of the project structure was the major strength
2. Non-participation of national politicians was the major weakness
3. The key words for success were integration and outreach – use an integrated approach and reach out to stakeholders
4. GEF had definitely helped catalyse a regional approach in just 2 years

Johann Augustyn, Incorporating Environmental Variability into the Management of an LME, the Benguela Current/BCLME as an example – BCLME is a naturally variable ecosystem suffering trans-boundary issues such as warm water events and anoxia due to distant forcing events, compounding the effects of fishing. Environmental variability has been identified as a trans-boundary issue of concern and systems for monitoring and early warning are cornerstones of the BCLME SAP. Demonstration projects have shown that modelling and monitoring can help predict these negative events. Such modelling may also help predict the effects of climate change.

II. Discussion

Discussions focused on the issues of the nesting of ocean governance mechanisms (combination of ICZM/ICM, LMEs, EEZs and high seas management), the need for national ownership (actions at the national level, strong, representative steering structures, sharing mechanisms to prevent inter-ministry jealousies, structures that are not purely consultative but also decisional), the need for an integrated approach (sector integration at the national level), the need to convince national politicians that it is their interest to adopt the regional integrated approach (added economic value of addressing trans-boundary issues), the need for funds to make coordination work, the beneficial influence of external standards applied by consumer states (e.g. the EU) and the importance of scientific work (the need for science in combination with ownership to drive regional cooperation, transferring the science lessons of the BCLME to policy levels and to other LMEs).

Key points to retain:

The presenters emphasised the following key points to retain:

- Ensure ownership of the TDA process
- Ensure that such ownership is national
- Understanding environmental variability is essential to LME management
- Remember to aim for eventual leverage of funds by the project
- The need to underline that human health is a key objective of LME management

Expressed learning needs to help structure future IW/LME learning activities:

Learning activities should focus, *inter alia*, on:

- Building political will
- Information and knowledge sharing
- Values of ecosystem goods and services
- Encouraging national and regional stakeholder ownership
- Development of cross-sectoral commissions
- Encouraging private sector engagement

SESSION 2: Discuss recent M&E results, focusing on IW Programme Study Recommendations**Objectives:**

- Discuss what works in relation to M&E and Rec.3 of the IW Programme Study:

[Rec.3: increased regional inter-project collaboration / incorporation of a regional level coordination mechanism for IW projects]

- Share knowledge, experiences & advice on M&E and regional coordination issues
- How to improve integration in the regions?
- How to address problems and develop unified monitoring schemes?
- Thereby: Identify priorities for regional collaboration for LME projects under IW Learn

Method:

- Case study presentations with subsequent discussion in full group
- Break-out into smaller group discussions, group seating by regions
- Brief reporting of discussion outcomes by working groups / regions

Activities:

- Short presentations with comments in full-group discussion
- Express learning needs to help structure future LME learning activities

Results:

I. Presentations

Ante Baric, Mediterranean Programme -- The speaker presented experiences obtained in programme monitoring over years: Beginning with a description of project outputs he explained the processes, structures and activities to achieve them, at national and regional levels, and the M&E strategy for these.

The presentation focused on two programmatic outputs – National Action Plans (NAPs) and National Investment Studies:

For the NAPs, the process was (1) National Diagnostic Analysis; (2) plan preparation and (3) integration of sectoral plans into the NAPs using a combination of guidelines, training courses, all monitored by the national coordinators, experts and national inter-ministerial committees. The investment studies were monitored by the committees and the project manager.

Main lessons learned in the Med were:

- Project implementation should be done using existing structures
- The number of the permanent personnel was insufficient
- National coordinators in most cases had difficulty in organising activities at the country level
- Project had to provide administrative support to the national coordinators
- Success of country driven approach depends on many factors and the availability of resources to take action.

Laurence Mee, University of Plymouth UK -- Prof Mee built on his reporting on the IW Programme Study results (morning session), highlighting that M&E is critical for an adaptive management approach. He reaffirmed what constitutes the ecosystem approach. In this context, he focussed on one of the Study's Recommendations that advises better communication at the regional level, and stressed importance of "scaling up" to include relevant internationally agreed targets.

Regarding the ecosystem approach it must be recalled that we are managing human activities, and not the ecosystems themselves. The boundaries of the system must be understood and adopted at an early stage, and the human dimension included. The basis of monitoring should be the EcoQOs, a societal choice. Outward vision is critical. Use should be made of both scientific and traditional knowledge when available. We need to build resilience into the human system. All of these taken together comprise the ecosystem approach.

II. Discussion

General

Focus was on the following:

- the challenge of getting states to choose the right societal objectives
- the importance of international goals as a guiding framework
- the importance of TDA for informing wise choices

Group Discussions

Participants split up into regional working groups to address the following questions, in accordance with Recommendation 3¹:

1. What are the needs and challenges for regional coordination?
2. How can coordination be operationalised in your region?

a. Overall needs identified:

- Great global demand for adequate M&E
- Demonstrate links between projects and beneficial impacts
- Need for wider scope of indicators (governance etc.)
- Need for coordination between GEF agencies and donors
- Strong need for coordination at national level
- Need for coordination at low cost

b. Overall challenges identified:

- Projects are at different levels of development
- Existing frameworks not fully operational
- Multi-country context

SESSION 3: Share experiences and prioritize future learning activities (link to session 1)

Objectives:

- Share individual project experiences (knowledge, experiences & advice)
- Contribute to design of structured learning activities with IW:LEARN partnership activity leads

Method:

- Case study presentations, discussions
- Express further learning needs and **prioritize** to guide future LME learning activities

Activities:

- Presentations followed by an opportunity for discussion
- (Invited participants from World Bank / GEF Implementing Agencies with experience of closed seas projects to assist with this session.)
- Brief voting to prioritize learning needs identified and general comments on structured learning activities
- *Post scriptum* presentation on recent scientific findings by Ken Sherman

¹ Please find regional summaries in part 3 or the Annex .

Results:

I. Presentations

Abdelmoula Ghzala - WIO Marine Highway Development – described the achievements of the previous project with COI states on developing capacity for oil spill response. He then focused on how lessons learnt from that project had been used in the design of the new Marine Highway programme, involving COI states plus Eastern African states. The key lessons were:

- need for commitment of governments to institutional arrangements
- correct individual choice of project execution agency and co-ordinator
- building effective partnerships can help improve project design and implementation
- pairing weaker states with stronger ones can help build capacity
- close coordination with other GEF projects in the same region is critical

Chris Corbin – Caribbean SIDS experience – briefly described the very particular Caribbean SIDS context and then highlighted the lessons learned so far:

- tools must be effective and useful
- data must be useful for reaching decisions
- focus more on the root causes than on the systems themselves
- adopt more holistic approaches
- need for partnerships and making the right linkages.

Ken Sherman, NOAA – the LME Approach 2005-2010 – a very upbeat presentation illustrating the consolidation of the LME approach and the promising future.

Main messages:

- The LME approach has now been adopted by 121 states
- US\$650 million have already been committed
- Partnerships with UNEP Regional Seas and Strategic Partnerships can extend to an effective \$2 billion
- TDA/SAP processes have had very beneficial impact
- The LME approach is better placed than ever to help achieve WSSD goals
- He questioned EcoQOs and proposed adoption of proven EPA ecosystem health indicators

II. General discussion

It focused around these issues:

- Relevance of linking WIO Highway and Globallast
- Strong need for expertise on the socio-economic aspects of LMEs
- UNEP study to contribute to establishing LME valuation methods
- Importance of human health and cultural indicators

Post scriptum: Ken Sherman presented findings of two papers on the transformational impacts of cod depletion and other drivers within an LME (references as given below).

Discussion on the management dilemma: manage the already transformed ecosystem or attempt recovery?

Annex to LME Conference Sessions

1. Extended notes from each session are available. Please contact IUCN-Global Marine Program (Kirsten Martin: kirsten.martin@iucn.org)

2. References to cited/summarized articles:

Choi, J S, K T Frank, W C Leggett and K Drinkwater. Transition to an alternate state in a continental shelf ecosystem. Canadian Journal of Fisheries and Aquatic Science. 61: 505-510. 2004.

Frank, K T, B Petrie, J S Choi & W C Leggett. Trophic cascades in a formerly cod-dominated ecosystem. Science Vol 308. 10 June 2005.

3. LME Break-out Session II: Regional Summaries.

Questions posed to regional groups:

1. What are the needs and challenges for regional coordination?
2. How can coordination be operationalised in your region?

Africa and WIO

Needs and Challenges

- Different stages
- No effective mechanisms
- Different levels (conventions and NEPAD)
- Large number of activities, programs, projects
- Need leadership
- User-friendly information must be available/compatible
- Still evolving

Americas and Caribbean

Needs and Challenges

- Reduction of transaction costs and use what exists already (i.e. IW website)
- Changes that projects are producing must be accounted for
- Duplication of effort occurring, need greater awareness of GEF projects (and other relevant projects) in region

Implementation

- Integrated approach to planning– we don't need to reinvent the wheel

- Regional e-mail network, identifying who are the focal points (expand participation beyond individual GEF projects)
- Incorporate civil society into planning processes
- Hold regional coordination meetings – learn from the African experience in information exchange.

Europe

Needs and Challenges

- Socio-Economic/Governance indicators need work globally and in Europe
- Increase political commitment
- Scattered M&E data
- Donor agency pipelines etc. can prevent collaboration/cooperation

Implementation

- Need a common M&E language (e.g. EEA)
- M&E to:
 - Provide direction
 - Provide communication, tools
 - To provide coordination tools (HELCOM)
- Network to develop tools that influence decision makers
- Cross-sectoral communication (e.g. Danube, Black Sea and GEF IW and Biodiv) and across project stages.

Asia-Pacific

Needs and Challenges

- No clarity on why they need to work together
- Political sensitivities/willingness
- Coordination and cooperation are needed (not clear on GEF project in the region, project managers have trouble communicating with each other)
- Different levels of challenges:
 - Implementing agencies
 - Project level
 - National coordination
 - Donor coordination
- TDA/SAP process – identified many problems, but fewer solutions

Implementation

- Implementing agencies: coordination mechanisms in the region / task force?
- Project level: hold regular meetings to discuss implementation
- National level: Inter-Ministerial committees should work better, enhance national coordination as a GEF requirement, provide more info about regional projects (even just the meaning of acronyms!)

- Donor level: inventories of donor project in the region, which will help understand past/current situation and implementation

B. Summary of Project Activities between March 22 and July 31

a. 2005 1st Quarter Report

- Launched the IW:LEARN “Structured Learning” for Large Marine Ecosystems on March 22, 2005 to a e-list of nearly 100 LME practitioners
- IW:LEARN LME webstory posted on three IUCN websites
- Fielded responses and introductions from 25 participants within two weeks of launch
- Responded to some initial discussions on economic valuation, to be followed on in more depth
- Initiated the identification of discussion themes and external experts/advisors

b. 2005 2nd Quarter Report

- Planned and facilitated three LME break-out sessions at the International Waters Conference in Salvador, Brazil
- Finalized the list of session topics for the e-Forum, based on a consultative process via e-mail and interactive discussions in Salvador
- Completed a summary of the International Waters Conference LME sessions, and reviewed the full minutes in collaboration with meeting rapporteur (Andrew Cooke)
- IWC webstory posted on three IUCN websites
- Co-organized and presented at the IOC/LME Consultative meeting in July, in Paris, France
- Fielded responses and introductions from e-Forum participants

C. Summary and Excerpts of e-Forum Activities between March 22 and July 10

E-Fora Dialogue Summary Large Marine Ecosystem Theme

This is a synthesis of the initial period (March 22 – June 10 2005) of the LME electronic forum. 107 forum participants have exchanged 56 e-mails during this introductory period (leading to the 3rd GEF International Waters Conference). Our discussions have been dedicated to participant introductions, on developing learning priorities to be addressed during the coming two years of forum exchange, and preparing for the International Waters Conference in Salvador, Brazil. Initial thematic discussions have taken place on stakeholder participation, institutional arrangements and environmental valuation (exchange of references, what works and what does not). Four different training programmes were introduced with opportunities for participant participation.

Learning Priorities

- **Law, governance, institutional arrangements.**

6 participants have identified this topic as a learning priority

Robin Mahon [Caribbean LME]: The real problem lies within institutional arrangements and capacity to implement these at local, national and regional levels, rather than with lack of scientific information about the resources. Arrangements for both national and transboundary governance are also a major impediment, especially at the meta-level and at the institutional/process level. Owing to their primarily technical backgrounds, the majority of fisheries managers are not comfortable addressing these areas and will generally revert to solutions at the operational level.

Marcelo Nilo [Humbolt LME]: I strongly believe that transboundary waters governance is one if not the most important issue on the viability of LME's projects. Where can I get more information?, I think that law/governance is a crucial element to every other problem identified.

Mick O'Toole [Benguela Current LME]: "We are currently in the final stages of establishing an Interim Benguela Current Commission. We have established a regional initiative which is now acting as the primary marine science and technology arm of the BCLME programme as is undertaking several large contracts on transboundary fisheries resource monitoring and management."

- **LMEs in specific contexts** i.e. islands, enclosed/semi-enclosed water bodies, developing countries.

4 participants have identified this topic as a learning priority

Derek Staples [Bay of Bengal LME]: I have a keen interest in implementing sustainable development, especially in developing countries. I have been actively involved in developing the Bay of Bengal LME proposal for GEF and interested in how all the theory really works in poor, overcrowded and under-governed countries.

LI Haiqing [Yellow Sea LME]: Can you send me any anything regarding marine environmental protection law region enclosed and semi-enclosed seas, like Black Sea, Baltic Sea, etc.?

- **Public participation and stakeholder involvement**

4 participants have identified this topic as a learning priority

Marcelo Nilo [Humbolt LME]: Without public participation the projects fall apart in two months.

Grace Ogolo [Guinea Current LME]: I'm interested in Public/Private participation and stakeholders' involvement.

Anders Poulsen [Caspian Environment Programme]: One of the activities that we will undertake this year is to establish a Caspian EcoNet – a network of conservation practitioners and stakeholders, with

the aim to establish transboundary cooperation, communication and learning within the region. This could almost be regarded as a regional pendant to the IW:LEARN initiative! We also intend to link up with international/global partners to benefit from other regional experiences.

- **Project management**

4 participants have identified this topic as a learning priority

Robin Mahon [Caribbean LME]: We are just about to get going on the PDF-B phase of this project, so we are keen to learn from all the 'experienced heads' out there. The challenge therefore seems to me to be how we create among those who will determine project directions an awareness of the full scope of issues and possible ways of addressing them. This is a big question, but one option would be to open up the institutional/governance issue early in the PDF-B through a workshop for major stakeholders. Doing that could serve to identify issues that are pursued during the PDF-B and keep them front and centre during TDA and SAP.

Derek Staples [Bay of Bengal LME]: We have just completed our PDF-B for BOBLME. In hindsight we should have spent more time on project planning and less time on TDA and identifying issues.

- **Coastal zone management (CZM) and Marine protected areas (MPAs)**

4 participants have identified this topic as a learning priority

Marea Hatzioolos [Senior Coastal and Marine Specialist, World Bank] I am interested in coastal zone management and MPAs as essential tools for marine ecosystem-based management, and the application of Strategic Environmental Assessment as a coastal planning tool for sustainable regional development, coral reef management as a system that exemplifies the need for an interlinkages approach-involving management of biodiversity, land degradation, climate change and international waters in some holistic way.

- **Ballast water and Invasive species management**

3 participants have identified this topic as a learning priority

Jose Matheickal [GloBallast]: I have a keen interest in forging stronger links and strategic partnerships with the LME programmes and to mainstream and integrate ballast water management with other coastal and marine management programmes and into a broader effort to control invasive aquatic species at the LME level.

Grace Ogolo [Guinea Current LME]: I have a very special interest in mangrove and alien invasive species.

- **Economic valuation**

2 participants have identified this topic as a learning priority

Faumuina V.S.Pati Liu [South Pacific] We are really interested to get some information on economic valuation of environmental resources

relevant to our Small Island situation (eg. methodologies, economic valuation systems etc). It is part of our capacity building program and we would greatly value any assistance from the experts.

D. Project Contract for

Activity B2.2 of “*Strengthening Global Capacity to Sustain Transboundary Waters: The International Waters Structured Learning Activities and Resource Network (IW:LEARN), Operational Phase*” (UNDP/UNOPS)

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