



PROGRAM FRAMEWORK DOCUMENT (PFD)

TYPE OF TRUST FUND: GEF Trust Fund

TYPE OF AGENCY: Qualifying GEF Agency

PART I: PROGRAM IDENTIFICATION

Program Title:	Scaling Up Partnership Investments for Sustainable Development of the Large Marine Ecosystems of East Asia and their Coasts		
Country(ies):	China, Indonesia, Philippines, Vietnam; Regional	GEF Program ID: ¹	4635
Lead GEF Agency:	WB	GEF Agency Program ID:	
Other GEF Agency(ies):	(select) (select) (select)	Submission Date:	2011-09-22
Other Executing Partner(s):		Program Duration(Months)	72
GEF Focal Area (s):	MULTI FOCAL AREA	Agency Fee (\$):	3,480,000

A. FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Type of Trust Fund	Indicative Financing (\$)	Indicative Cofinancing (\$)
IW-2 (select)	<p>Outcome 2.2: Institutions for joint ecosystem-based and adaptive management for LMEs and local ICM frameworks demonstrate sustainability Financing: 950,000 Cofinancing: 10,982,000</p> <p>Outcome 2.3: Innovative solutions implemented for reduced pollution, rebuilding or protecting fish stocks with rights-based management, ICM, habitat (blue forest) restoration/conservation, and port management and produce measureable results Financing: 16,625,000 Cofinancing: 340,032,000</p> <p>Outcome 2.4: Climatic variability and change at coasts and in LMEs incorporated into updated SAP to reflect adaptive management and ICM principles (including protection of “blue forests”) Financing: 950,000 Cofinancing: 31,050,000</p>	<p>Output 2.1: Agreed commitments to sustainable ICM and LME cooperation frameworks</p> <p>Output 2.2: National and local policy/legal/institutional reforms adopted/ implemented</p> <p>Output 2.3: Types of technologies and measures implemented in local demonstrations and investments</p> <p>Output 2.4: Enhanced capacity for issues of climatic variability and change</p>	GEF	18,525,000	382,064,000
IW-3 (select)	<p>Outcome 3.2: On-the-ground modest actions implemented in water quality, quantity (including basins draining areas of melting ice), fisheries, and coastal habitat demonstrations for “blue forests” to protect carbon Financing: 2,375,000 Cofinancing: 9,272,000</p>	<p>Output 3.3: Active experience/sharing/ learning practiced in the IW project portfolio</p>	GEF	5,225,000	16,625,000

¹ Program ID number will be assigned by GEFSEC.

² Refer to GEF-5 Template Reference Guide posted on the GEF website for description of the FA Results Framework when filling in Table A.

	<p>Outcome 3.3: IW portfolio capacity and performance enhanced from active learning/KM/experience sharing Financing: 1,425,000 Cofinancing: 1,881,000</p> <p>Outcome 3.4: Targeted research networks fill gaps. Financing: 1,425,000 Cofinancing: 5,472,000</p>				
(select) BD-1	<p>Outcome 1.1: Improved management effectiveness of existing and new protected areas. Financing: 2,139,875 Cofinancing: 57,814,000</p> <p>Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management Financing: 2,139,875 Cofinancing: 57,814,000</p>	<p>Output 1.1. New protected areas (number) and coverage (hectares) of unprotected ecosystems.</p> <p>Output 1.2. New protected areas (number) and coverage (hectares) of unprotected threatened species (number).</p> <p>Output 1.3. Sustainable financing plans (number).</p>	GEF	4,279,750	115,628,000
(select) BD-2	<p>Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation. Financing: 6,182,125 Cofinancing: 92,086,000</p> <p>Outcome 2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks. Financing: 6,182,125 Cofinancing: 92,086,000</p>	<p>Output 2.1. Policies and regulatory frameworks (number) for production sectors.</p> <p>Output 2.2. National and sub-national land-use plans (number) that incorporate biodiversity and ecosystem services valuation.</p> <p>Output 2.3. Certified production landscapes and seascapes (hectares).</p>	GEF	12,364,250	184,172,000
(select) BD-5	<p>Outcome 5.1 Development and sectoral planning frameworks at country level integrate measurable biodiversity conservation and sustainable use targets. Financing: 931,000 Cofinancing: 14,836,000</p>	<p>Output 5.1. Number and type of development and sectoral planning frameworks that include measurable biodiversity conservation and sustainable use targets.</p>	(Select)	931,000	14,836,000
(select) (select)			(Select)		
(select) (select)			(Select)		
(select) (select)			(Select)		
(select) (select)			(Select)		
(select) (select)			(Select)		
(select) (select)	Others		(Select)		
Subtotal:				41,325,000	713,325,000
Program Management Cost ³				2,175,000	40,175,000
Total Program Costs				43,500,000	753,500,000

B. PROGRAM RESULT FRAMEWORK

³ This is the cost associated with the unit executing the project on the ground and could be financed out of trust fund or co-financing sources.

Program Goal: The goal of the program is to promote sustainable development of large marine and coastal ecosystems of the East Asia and Pacific Region and improve livelihoods of local populations by reducing pollution of and promoting sustainable marine fisheries, ICM and ecosystem based management.

Program Component	Grant Type	Expected Outcomes	Expected Outputs	Type of Trust Fund	Indicative Financing (\$)	Indicative Cofinancing (\$)
Pollution Reduction	Inv	(a) nutrients and pollution to East Asia seas reduced (N, P, BOD [kg/yr]; pollutant [kg/yr]) (b) informed decision making and improved public awareness of non-point pollution issues	(a) completed and fully demonstrated innovative pollution control infrastructure/ facilities (b) institutionalized pollution management practices (c) upgraded monitoring system for non-point pollution; (d) reliable and disclosed monitoring data	GEF	11,875,000	247,000,000
Sustainable Marine and Coastal Resources Management	Inv	(a) increase in sustainably managed seascapes that integrate biodiversity conservation (area protected under management mechanisms such as ICM, marine spatial planning, MPA [ha]) (b) national and local development plans that integrate biodiversity conservation, climate resilience, ICM and ecosystem based management (number of national, local, and/or sector policies incorporating management mechanisms) (c) financial sustainability of protected are enhanced (central/local government budget allocated to protected area management) (d) recovered (or increased) fish stocks (e) improved use of fish gear/techniques (% vessels applying improved gear/techniques) (f) improved awareness of all stakeholder for sustainable marine and coastal resources	(a) increase in certified production seascapes and marine protected areas (b) sustainable marine spatial planning based on ICM and ecosystem based management contributing to scaling up ICM programs to achieve at least 20% of the region's coasts committed under SDS-SEA (c) demonstrated diversified and innovative alternative livelihood and eco-business models and financing mechanisms (d) improved capacity for climate resilience (e) effective monitoring systems for fishery resources and marine biodiversity (f) techniques for economic valuation of coral reef mangrove ecosystem services demonstrated in pilot sites	GEF	24,225,000	449,700,000

		management (g) alternative livelihoods introduced (number of people provided alternative livelihoods) (h) new WB/GEF IW projects in EAP incorporate new knowledge and innovation in capturing value of coral reef and mangrove ecosystem services				
Knowledge Management	TA	(a) enhanced capacity and performance (b) improved cost-benefit analysis for development actions, and national wealth accounting (c) stakeholders' ownership of program/project activities increased (d) synergy of taking program approach reported (PFD annual status reports)	(a) active knowledge management activities (b) developed methods and quantified value and market potential of coral reef and mangrove ecosystem	GEF	5,225,000	16,625,000
	(select)			(Select)		
	(select)			(Select)		
	(select)			(Select)		
	(select)			(Select)		
	(select)			(Select)		
	(select)			(Select)		
	(select)			(Select)		
Subtotal:					41,325,000	713,325,000
Program Management Cost ⁴					2,175,000	40,175,000
Total Program Costs					43,500,000	753,500,000

C. INDICATIVE CO-FINANCING FOR THE PROGRAM BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Co-financing	Name of Co-financier (if known)	Type of Cofinancing	Amount (\$)
GEF Agency	World Bank	Hard Loan	480,000,000
GEF Agency	World Bank	Soft Loan	100,000,000
Local Government	LGUs, Philippines; Guangdong, China; Provinces, Vietnam; PEMSEA Local Governments; Xiamen, China	Unknown at this stage	142,872,500
National Government	Indonesia; MARD, Vietnam; Queensland, Australia; PEMSEA Partner Countries	Unknown at this stage	27,600,000
Private Sector	Private sector	Unknown at this stage	2,500,000

⁴ Same as footnote #3.

Others	Global Change Institute; PEMSEA Non-country Partners and collaborators; PEMSEA ICM Learning Centers	Unknown at this stage	527,500
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Cofinancing			753,500,000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Program Amount (a)	Agency Fee (b) ²	Total c=a+b
WB	GEF TF	Biodiversity	Philippines	5,000,000	400,000	5,400,000
WB	GEF TF	Biodiversity	Indonesia	10,000,000	800,000	10,800,000
WB	GEF TF	Biodiversity	Vietnam	3,500,000	280,000	3,780,000
WB	GEF TF	International Waters	Philippines	9,400,000	752,000	10,152,000
WB	GEF TF	International Waters	Indonesia	2,000,000	160,000	2,160,000
WB	GEF TF	International Waters	China	5,100,000	408,000	5,508,000
WB	GEF TF	International Waters	Vietnam	3,000,000	240,000	3,240,000
WB	GEF TF	International Waters	Region	5,500,000	440,000	5,940,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				43,500,000	3,480,000	46,980,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

² Please indicate fees related to this project.

PART II: PROGRAMATIC JUSTIFICATION

A. GOAL OF THE PROGRAM:

The goal of the program is to promote sustainable development of large marine and coastal ecosystems of East Asia and Pacific and improve livelihoods of local populations by reducing pollution and promoting sustainable marine fisheries, ICM and ecosystem based management. With the proposed WB/GEF partnership investments, the program will also enhance the delivery of on-the-ground impacts and supporting capacity-building through targeted knowledge management activities and through portfolio learning and targeted research.

Background

The East Asian Seas are a major economic resource for the world's demand for fishery and aquaculture products, and a major natural heritage and biodiversity resource for the people around the world. The region harbours a significant share of the world's coral reefs and mangroves; it also produces about 40 percent of the world's fish catch and more than 80 percent of aquaculture. With over 2 billion people living in the region, the human pressure on marine and coastal resources remains very high. Continuous stresses on the environment have more than regional significance, as they spread throughout the region's seas crossing national boundaries.

The countries of the Seas of East Asia recognize the severity of continuous degradation of their seas, coast and estuaries on which millions of the region's inhabitants depend. To reflect their concern about the state of transboundary waters, the coastal governments crafted a Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) in 2003, with the support of GEF and the participation of UNDP and the World Bank, in which the governments of the East Asian countries identified shared threats and priority actions in the region. In a Ministerial Forum in 2006 (Haikou, PR China), countries established the Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), a collaborative organization of 11 representatives of the coastal governments tasked with guiding and coordinating the implementation of the SDS-SEA. Three years later in 2009, the Third Ministerial Forum (Manila, Philippines) recognized the international legal personality of PEMSEA, launching it as an independent regional coordinating mechanism for the implementation of the SDS-SEA. (Twelve governments signed the Putrajaya Declaration of Regional Cooperation for the Sustainable Development of the Seas of East Asia, namely: Brunei Darussalam, Cambodia, China, DPR Korea, Indonesia, Japan, Malaysia, Philippines, RO Korea, Singapore, Thailand, and Vietnam. In 2006, two additional governments, Lao PDR and Timor-Leste, agreed to adopt and implement the SDS-SEA.)

At the 2009 Ministerial Forum, the Ministers acknowledged in the Manila Declaration the need to strengthen cooperation. In the strategy statement, integrated coastal management (ICM) was seen as paramount in addressing near-term priorities related to coastal pollution and overexploitation of fish stocks, as well as for adapting to the effects of climate variability and change, including increased storm intensity, flooding, storm surges, warming and acidification of seas and sea-level rise in coastal areas – all of which constitute major challenges for disaster risk management and food security. Furthermore, countries substantiated their commitments by adopting two strategic targets, namely: a) to scale up national ICM programmes to cover at least 20 percent of the region's coasts by 2015; and b) to adopt and implement national coastal and ocean policies and supporting institutional arrangements in 70 percent of the countries by 2015.

A recent stocktaking report (October 2010) on priority actions and financing gaps in the EAS region highlighted key elements of a programmatic approach for scaling up on-the-ground interventions. Two of the highest investment priorities identified in existing SAPs and country strategies, were confirmed in the

stocktaking report and included: (i) enhance efforts to reverse coastal pollution (the Brown Agenda) and (ii) address unsustainable fisheries and the loss of critical coastal and marine habitats (the Blue Agenda). Climate change impacts and climate variability were seen as cross-cutting issues, and will be addressed by building ecosystem resilience into the management of both the brown and blue agendas in the program that is the result of the concerted ICM scaling up effort to which PEMSEA Country Partners have committed across the region.

Recognizing the needs for on-the-ground investments, a strategic partnership with the GEF and World Bank for sustaining the LMEs and coasts of the EAS region is proposed. The rationale for the development of a World Bank/GEF led program for Scaling up of Partnership Investment for Sustainable Development of Large Marine and Coastal Ecosystems of the East Asia and Pacific Region stems from the commitments made by countries, reflected in the institutionalization of PEMSEA with a mandate to implement the SDS-SEA. The program will focus on three complementary components identified by stakeholders: Component 1: Pollution Reduction (the Brown Agenda), Component 2: Sustainable Marine and Coastal Resources Management (the Blue Agenda), and Component 3: Knowledge Management. The proposed program will build on past achievements which consisted of diagnostic, planning and piloting phases and included mobilizing the needed financing, legal and policy instruments to support broadly agreed and coordinated efforts. The planned next step is a shift from planning and piloting to scaled up actions: the emphasis will be on parallel national actions in pollution reduction and ICM scaling up and investments, building on abilities to carry out technically sound interventions based on robust scientific evidence and agreed priorities, as well as the institutional capacity for collective action as previously laid down. The 4th East Asian Seas Partnership Council (July 2011, Busan, RO Korea) approved the concept of the proposed program.

To achieve this objective, the World Bank will take advantage of its comparative advantage: (i) past achievements in maintaining and improving the ecosystems in East Asian Seas, including the progress made with significant pollution reduction impact under the World Bank/GEF Invest Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia (Progress Report attached as Annex D); (ii) existing cooperative relationship with countries in the region, established through past and on-going Bank operations; (iii) country offices and task teams with ample managerial and technical expertise and experiences; and (iv) strong partnership with PEMSEA and its member countries. No other implementing agency is able to bring the kind of financial leverage that the Bank does to GEF Project, in addition to its policy dialogue with clients. Apart from the policy and financing aspects, the Bank's comparative advantage also lies in its own technical expertise as well as its demonstrated ability to partner with institutions that can bring added value to the Partnership.

Proposed Program Activities

The proposed program will achieve its development goal through a three-pronged approach: (i) fully blended World Bank/GEF investment projects to scale up EAS countries' efforts to reduce land-based pollution in the Seas of East Asia (the Brown Agenda); (ii) fully blended World Bank/GEF investment projects addressing overexploitation of fisheries (the Blue Agenda) through improvements in governance of marine and coastal resources based ICM and ecosystem based management, (iii) knowledge management activities aimed at to fill the knowledge gap in quantifying, valuing and, to the extent possible, marketing coastal ecosystem services and to disseminate good practices, promote regional learning and change the policy/management paradigm in the region (Component 3). This mutually reinforcing structure of investment projects and knowledge management activities will promote informed decision-making and foster synergies needed to advance the long-term goal of the International Waters Focal Area of, "promoting collective management of trans-boundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and

maintenance of ecosystem services.” Co-benefits of biodiversity conservation are fully embedded in the proposed structure and proposed investment activities on ICM and sustainable use of ecosystems.

The proposed program will support investment in the areas of knowledge sharing and research, focused on the 3 LMEs of the region, namely the South China Sea, Sulu Sulawesi Seas and the Indonesian Seas. In some of these areas, the Transboundary Diagnostic Analysis (TDA) and the Strategic Action Program (SAP) have been developed under GEF projects (e.g., UNEP/GEF Project entitled “Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand”). Complementing regional efforts made by such GEF TDA/SAP projects, the World Bank as the implementing agency of this GEF program will work with the GEF, PEMSEA, the participating countries and other stakeholders to lead preparation and implementation of the proposed national and regional efforts under the program. All proposed projects will allocate 1% of the GEF grant fund for IW:LEARN activities, including publication, website operation, and workshop organization. Such a contribution is expected to help in sharing and disseminating the information and lessons learned from project implementation to a wide range of stakeholders, including the general public and the private sector.

For more information about specific projects under each Component, see Annex C attached to this document.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROGRAM WITH:

B.1.1 The [GEF/LDCF/SCCF focal area strategies](#):

This proposed program will support implementation of IW Objective 2 Outcome 2.3 as the two projects (the Philippine Manila Bay Integrated Water Quality Project and China Guangdong Nonpoint Pollution Control Project) of Component 1 will focus on implementing innovative solutions, technically and/or institutionally, to reduce land based pollution to East Asian seas. In addition, three projects (COREMAP Phase III Project, the Vietnam Coastal Resources for Sustainable Development Project, and the Central Philippines Rural Development Project [CPRDP]) will contribute to the implementation of the same Outcome by protecting fish stocks with rights based management, ICM and habitat restoration and conservation. Furthermore, through the same three projects aim also to promote the integration of climatic change impacts and adaptation needs into national and sectoral development planning process and thus support implementation of IW Objective 2 Outcome 2.4.

The program will facilitate achievement of IW Objective 3 Outcome 3.3 with a dedicated Knowledge Management for Program Implementation Project to collect, review, package and disseminate lessons learned and best practices demonstrated under the investment projects. In addition, the proposed project on Economic Valuation Based Sustainable Management of Tropical Coastal Ecosystems will support implementation of IW Objective 3 Outcome 3.4 by quantifying and valuing ecosystem services of marine and coastal ecosystem with a focus on mangrove and coral reef ecosystems. This project will also contribute to IW Objective Outcome 3.3 by generating knowledge from piloting application of developed valuation approaches in on-the-ground management interventions and marketing. Both projects under Component 3 of this program will ultimately enhance the capacity and performance of GEF IW portfolio.

Through the three projects under Component 2, the program will also contribute to the implementation of Biodiversity Objective 2 Outcomes 2.1 and 2.2. All three projects will promote incorporation of conservation and sustainable use of biodiversity into policy and regulatory frameworks in the project countries and will contribute significant increases in sustainably managed landscapes and seascapes that integrate biodiversity. Specifically, the consideration on biodiversity issues will be mainstreamed into local development plans with measures to reduce the negative impacts from production sectors such as agriculture, fisheries, and tourism; the management of existing

marine protected areas will be improved with the capacity of communities and local governments enhanced to reduce over-fishing and conserve marine and coastal habitats (CPRDP). To conserve biodiversity and promote sustainable use of marine and coastal resources, measurable targets will be integrated into the economic development and sectoral planning framework at the national, provincial, and local levels (Vietnam Coastal Resources for Sustainable Development Project). Good practices to maintain and improve coral reefs will be integrated into community-based management; eco-business approach (e.g., business incubation and marketing) will be introduced to secure financial sustainability (COREMAP Phase III Project).

The progresses and achievements of the program will be measured qualitatively and quantitatively with indicators suggested by Tracking Tools for GEF biodiversity and international waters projects. (See Part I. B. Expected Outcomes.) These indicators include the following: pollution reduction (N, P, BOD [kg/yr]; pollutant [kg/yr]); management mechanisms introduced (area protected under management mechanisms such as ICM, marine spatial planning, MPA [ha]; number of national, local, and/or sector policies incorporating management mechanisms); financial sustainability of protected area (central/local government budget allocated to protected area management); improved use of fish gear/techniques (% vessels applying improved gear/techniques); alternative livelihoods introduced (number of people provided alternative livelihoods). Note that the PFD broadly defines overall performance indicators, while each project under the program specifically sets indicators. For more information about specific indicators, see Annex C attached to this document and the PIFs of the proposed projects.

B.1.2. For programs funded from LDCF/SCCF: the LDCF/SCCF [eligibility criteria and priorities](#):
NA.

B.2. National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

The proposed program will promote scaling up of the partnership investments of the GEF and the World Bank that aims to support project countries and the region ultimately to invest for sustainable development of large marine and coastal ecosystems of the East Asia Region. The proposed program is consistent with national and regional priorities and plans, such as national action plans for SDS-SEA and biodiversity conservation (for implementation of the Convention on Biological Diversity). In addition, the program is consistent with environmental agendas of the Large Marine Ecosystems (LMEs) of the East Asia Seas that have been prioritized and committed to at the ministerial level in a series of declarations.

The proposed program is also consistent with the findings of the GEF Stocktaking Meeting in October 2010 in Manila; the most important findings being: a) pollution reduction from land-based sources and unsustainable exploitation of marine resources (over-fishing) as the two most pressing issues in the region, followed by destruction of critical habitat (coral reefs, mangroves, seagrass beds); b) climate change seen as cross cutting issue of extreme urgency which needed to be addressed; and c) PEMSEA given a broad mandate as the strongest regional mechanism for coastal and marine management in the EAS.

The proposed five country specific projects are consistent with the World Bank's Country Partnership (or Assistance) Strategies (CAS or CPS) with the project countries. The CAS/CPS are developed based on (i) the country's development vision presented in the country's social economic development plans/strategies; (ii) a collaborative diagnosis of its development challenges; and (iii) an analysis of development results that the World Bank could influence; and (iv) the widest possible involvements of domestic stakeholders and development partners.

The proposed program will cooperate closely with existing regional programs. For example, the program will coordinate with the Coral Triangle Initiative through continuation of the COREMAP

Program, with the PPCR for the Pacific, and with regional Targeted Research, Learning and Innovation: Capturing Coral Reef and related Ecosystem Services.

C. Rationale of the program and description of strategic approach (including description of current barriers to achieve the stated objectives):

This program is proposed to address the following barriers that have prevented the countries from using East Asia Seas in a sustainable manner: inadequate investments for land-based pollution reduction and sustainable marine and coastal resource management; lack of a knowledge management platform that could sustain knowledge creation and sharing activities on both the Brown and Blue Agendas in the region; and failure of capturing real economic values of marine and coastal ecosystems due to lack of proper valuation methodologies and/or actual application in on-the-ground management interventions and marketing exercises. The project will seek to overcome these barriers through:

1. Leveraging financing and addressing investment gaps through World Bank/GEF investment in key areas of pollution control and restoration of critical habitats.
2. Coordination of knowledge management activities, including collection, analysis, packaging and dissemination of best practices and lessons learnt, through the Knowledge Management Project led by PEMSEA.
3. Promoting sustainable coastal and marine resource management through economic valuation of ecosystem services and on-the-ground applications.
4. Creating strong partnerships with the private sector through the activities mentioned above as well as others described in Annex C.

The project will also build on lessons learned from the World Bank/GEF Strategic Partnership for a Land-Based Pollution Reduction Investment Fund for the large Marine Ecosystems (2005-present). The Partnership was designed to reduce land-based pollution discharges that had an impact on the seas of East Asia by leveraging investments in land-based pollution reduction through the removal of technical, institutional, and financial barriers. The partnership has supported a total of seven projects, five fully blended with the World Bank's lending operations. These projects are: Ningbo Water and Environment Project, Second Shandong Environmental Project, Liaoning Medium Cities Infrastructure Project, Manila Third Sewage Project, Vietnam Coastal Cities Project, Shanghai Agriculture and Non-point Pollution Reduction Project, and Huai River Marine Pollution Reduction Project.

D. Discuss the added value of the program vis-à-vis a project approach (including [cost effectiveness](#)):

The added-value of the proposed program is its ability to develop a coherent portfolio of highly leveraged investment projects that will maximize and build on the capacity of individual countries and will mainstream priority concerns, expressed at the EAS Stocktaking meeting, into a larger-scale and longer term regional development program. This could hardly be achieved through a group of individual and incoherent investment projects. Furthermore, multi-country cooperation will facilitate coordinated environmental management interventions and creating opportunities for regional collaboration initiatives.

It is expected that the proposed strategic partnership between the GEF and the World Bank would facilitate regional capacity-building, promote regional learning, replicate successful interventions, scale-up policy dialogues, and support policy changes. Adding the Blue Agenda in the proposed program, it is expected that the new World Bank/GEF partnership will strengthen the extent to which

ecosystem-based management could be applied in the EAS and interventions harmonized from local to national to regional levels.

Financed by significant IDA and IBRD loans and GEF grants, the program is expected to achieve high cost effectiveness for the proposed GEF support. The program approach induces a significant amount of cofinancing, including the one leveraged in the following areas of importance: e.g., wetlands, institutional reform, partnership strengthening, non-point source pollution. This has been demonstrated under the World Bank/GEF Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia where the total financing is about US\$ 700 million and GEF contribution amounts to US\$35 million. Without the program approach, the contribution to the above-mentioned area of natural resource protection and institutional capacity building would not have been and will not be financed.

E. Describe the baseline program and the problem that it seeks to address:

The Seas of East Asia (EAS) are bordered by China, Japan and the Korean Peninsula in the north and the Southeast Asian nations in the south. The EAS region encompasses a series of large marine ecosystems (LME), sub-regional seas and their coastal areas of great ecological and economic importance. Specifically, the region harbours a significant part of the world's coral reefs and mangroves and also produces about 40 percent of the world's fish catch and more than 80 percent of aquaculture. The human pressure on East Asia Seas is very high with approximately 2 billion people living in the region demanding marine and coastal natural resources and discharging enormous amount of land-based pollutions to the Seas.

For the Brown Agenda, the key problem the proposed program aims to address through the two projects under Component 1 is how to devise a comprehensive set of integrated interventions (technical, policy, monitoring, enforcement as well as information disclosure and public participation) to address non-point pollution issues at a large scale in Guangdong and for the first time water quality issues in the Manila Bay, respectively. This problem is related to the fact that even though municipal wastewater management projects financed by the World Bank in coastal areas have contributed to land based pollution reduction to the East Asia Seas, most of such investment projects, as requested by the countries, focus on municipal pollution sources and supports construction and proper operation of wastewater treatment systems. The previous World Bank and GEF partnership has covered a broader set of pollution issues. Such projects often support applications of innovative technologies, institutional arrangements and policy measures to control pollution issues from municipal areas as well as specific production sectors such as ship-building and livestock sectors. Two recent projects under the World Bank/GEF Partnership Investment Fund have embarked on nonpoint pollution control but focused on technology demonstration mainly. To better address non-point sources and complement the baseline program, it is necessary to take a more holistic approach, which integrates technical with institutional and governance arrangements that together remove barriers to controlling non-point source pollution. This proposed program will implement a broad range of activities, from innovative, integrated water quality management, reducing pollution at its source and recycling agricultural waste, to facilitating public-private pollution reduction partnerships, strengthening monitoring and enforcement and facilitating active community engagement. Without GEF's support, such a comprehensive action would not be taken; as a result, the GEF's incremental contribution is key to help resolve these outstanding issues.

For the Blue Agenda, the key problem for this program to address is how to achieve sustainable management of coastal and marine natural resources. Two focuses of the program are coral reefs and

fishery. Clearly, fisheries issues and coral reefs preservation are crucial in view of growing populations, the need to secure food supply from the sea, and to alleviate poverty. Under the baseline program, the World Bank has been already investing in coral reef protection in Indonesia, Philippines, and the Pacific Islands as these places are world hotspots for coral reef biodiversity, but has no investment program to address fishery issues, which have been identified as the an issue of particular focus, as it has not been given adequate attention until recently, in relation to its importance and in comparison to other transboundary concerns, such as pollution and habitat loss. For coral reef, the World Bank has also partnered with the GEF to implement the COREMAP Phases I and II Projects and the Coral Reef Target Research Project. As noted above, these baseline projects have challenges to scale up efforts for transformational change in how coral reefs are administered and used by rural communities, and are yet to be able to extend these interventions over larger areas across Indonesia.

F. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

While the countries benefit from rapid economic development in East Asia, a significant percentage of marine and coastal areas in the region have been under constant threat of losing the health of their ecosystems due to anthropogenic causes such as pollution and excessive and destructive use of marine and coastal resources, and climate change. This serious environmental degradation has lead to not only the change and disruption of ecosystem structure, but also the deterioration habitats and loss of ecosystem services. As a result, a great deal of biodiversity has been disappearing, and the ecosystem services that the ocean and coasts provide have been diminishing. The absence of management and the mismanagement of marine coastal resources contribute to aggravating such an adverse situation. As the root causes of this nonexistence and failure of appropriate management, there are both the lack of political will and public awareness and the lack of capacity (e.g., skills, funding, institutional arrangements) of those who are responsible for addressing the problems, which hinder the implementation of necessary actions.

With the involvement of GEF, this Program will create the following four major global environmental benefits: (i) Expansion of protected areas and improvement of their management; (ii) Incorporation of conservation and sustainable use of biodiversity into policy, legal, and regulatory frameworks; (iii) Promotion of the international cooperation to reduce pollution and rebuild fisheries; and (iv) Enhancement of the capacity to conduct ecosystem-based management of LMEs. To achieve the first two objectives which focus mainly on biodiversity conservation, the Program will improve the effectiveness of managing existing and new protected areas, for example, by establishing and enhancing the management of marine and fish sanctuaries with no-take zones and buffer zones designated and by supporting the production of biodiversity-friendly goods and services to enhance local communities' livelihoods (Philippines, Central; Indonesia). Capacity at the provincial and district levels for integrated spatial planning will be improved to maintain and enhance biodiversity (Vietnam). Biodiversity conservation will be integrated into the management of landscapes and seascapes by, for example, strengthening policy and regulatory frameworks for production sectors (Indonesia). To conserve and use biodiversity in a sustainable manner, measures will be incorporated in policy and regulatory frameworks by e.g., creating land-use plans with the consideration of biodiversity and ecosystem-service valuation (Indonesia). The remaining two objectives will be addressed by a wide range of activities with respect mainly to conserving international waters, including the reduction of rural and agricultural pollution by promoting the source reduction, the commercial utilization of agricultural wastes, and the sound management and treatment of rural wastes and wastewater (China) and the establishment of new coastal and marine protected areas for protecting and rebuilding fish stocks (Vietnam). Both the major investments to improve water quality and abate sedimentation pollution and the establishment of the Institutional Framework and Mechanisms for integrated and comprehensive

management of the Manila Bay-Pasig River and Laguna Lake system will contribute to reducing pollutants in coastal water body (Philippines, Manila). The Program will also enhance the capacity and performance from knowledge management and information sharing. The experiences and lessons learned from the implementation of IW projects as well as other partners will be actively shared (Regional, PEMSEA).

Inducing efforts and commitments from relevant stakeholders in the region, the GEF plays a critical role in this Program to catalyze joint efforts and leverage resources. Without the GEF's involvement, the baseline or "business-as-usual" scenario continues; as a result, the health of ecosystems in the regional seas and coasts would be lost. However, the support of GEF will contribute to addressing such a vicious trend by enabling the Program to take a comprehensive and innovative approach to maintain the sound biodiversity and large marine ecosystems in the region. Moreover, this support will invite an active participation from the participating countries, that is already indicated by their offer for a significant amount of cofinance worth approximately US\$770 million. The GEF acts as a catalyst to create an environment conducive to facilitating regional cooperation which is indispensable for overcoming the global environmental problems that the countries face.

G. Describe the socioeconomic benefits to be delivered by the Program at the national and local levels, including [consideration of gender dimensions](#), and how these will support the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF).

The proposed program will have significant socioeconomic benefits as the program is fully blended with the World Bank's poverty reduction and pollution control investment activities. Three of the seven projects under the program, namely the COREMAP Phase III Project, Vietnam Coastal Resources For Sustainable Development Project and the Central Philippines Rural Development Project, will support directly rural communities to manage marine and coastal natural resources in a sustainable manner, which in turn will improve their livelihoods and support global efforts for sustainable fishery and biodiversity conservation. The China Guangdong Nonpoint Pollution Control Project will transform the current practices of agr-chemical uses and agricultural waste management in the province. By reducing agricultural and rural run-off to the South China Sea and mitigating greenhouse gas emission, the project will greatly improve the living environment of rural communities and reduce agricultural production costs for farmers in the province. By improving waste and wastewater (both point and non-point) management in the Laguna Lake, Pasig River and Manila Bay system, the project will greatly reduce pollution load of the Manila Bay, improve water quality of the Bay, and ultimately the living environment of the Manila metropolitan area.

It is expected that the program will generate socioeconomic benefits equally to both genders of program beneficiaries. Specific gender dimensions of the program activities will be examined, monitored and reported under each individual project of the program.

H. Justify the type of financing support provided with the GEF/LDCF/SCCF resources:

The incremental funding from the GEF will support the implementation of five national projects and two regional projects with significant global environmental benefits on land based pollution reduction, sustainable marine and coastal natural resources management and biodiversity conservation. The GEF financing is expected to play a crucial role in leveraging high-ratio cofinancing from the World Bank and from participating countries interested in scaling up investment in the transboundary waters sector. The financial resources of local, regional and national authorities and from the World Bank will be supplemented by the GEF grant to tackle urgent matters that challenge environmental sustainability,

public health, and food security of the project countries. Successful implementation of the World Bank and GEF partnership will enable the World Bank to scale up investments through its loans and cooperation programs with local stakeholders in the future.

I. Indicate risks, including climate change risks that might prevent the program objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the program design:

Identified Risks	Rating	Mitigation Measures
Change of interests from project governments may lead to change in proposed project interventions.	L	This program and projects under the program are proposed based on the governments' interests. Project preparation will ensure that the proposed global environmental benefits will not be compromised if such a change is inevitable.
Technical complexity of the proposed investment activities may prevent the investment projects from achieving their objectives.	M	Project preparation will carry out thorough technical review to ensure that the selected technical options are appropriate for local situations.
Large number of rural beneficiaries of investment projects may create institutional challenges for successful project implementation.	M	Project preparation will carry out multiple rounds of stakeholder consultation to identify most effective and widely accepted institutional arrangements to facilitate project implementation. These arrangements will be reviewed periodically and adjusted if needed.
Low capacity of project executing agencies may delay project preparation and implementation.	M	If needed, PPG will be requested to build capacity of executing agencies during project preparation and specific capacity building activities will be supported during project implementation.
Poor communications between investment projects and knowledge management projects may produce low-quality knowledge management activities.	L	The World Bank as the sole implementing agency of the program will ensure proper flow of information between investment and knowledge management projects.
Private sector may not be willing to participate in investment activities financed by the project because of short term financial interests.	M	Private sector interests will be invited to participate in project preparation and implementation so that they understand first-hand the objectives and results of project implementation, and gradually build up their commitment and capacity to adopt best practices on their own.
Proposed innovative approaches may fail because of inherited risks of innovations.	M	In addition to thorough technical review, alternative technical options will be identified to achieve conservative targets in case of failure of innovative approaches.
Climate variability may delay project preparation and implementation.	L	Intensive and continuous monitoring and evaluation (M&E) of the condition and change in the LMEs will be conducted, and the results of M&E will be timely fed into decision-making to reduce the risk.

J. Outline the institutional structure of the program including coordination and monitoring & evaluation:

As the sole implementing agency of this program, the World Bank will work with project countries and

PEMSEA to prepare and implement the program and the proposed seven projects under the program. In close consultation and coordination with the project countries, country offices and task teams are responsible for implementing the projects. Each task team consists of the team leader with overall responsibility for project implementation and management and the team members with ample skills and experiences in relevant fields. The size and expertise required for a task team varies depending on project requirements. Supervising the country offices and task teams, the headquarters monitors progresses of activities in the field, coordinate them between the countries/projects, consult/liaise with GEF, and act as a troubleshooter as necessary. The headquarters has overall responsibility for monitoring and evaluation (M&E) of the progresses and achievements of the program. Tracking Tools for GEF biodiversity and international waters projects will be used to measure progresses in achieving the impacts of the program activities, and the results of M&E will be reported to GEF regularly as required.

Development of the Program will continue building on the World Bank's long term collaboration with the GEF, the project countries, PEMSEA and other development partners (ADB, UNDP, UNEP, FAO, IW-Learn, USEPA, USAID, AUSAID, and key civil society organizations). The cohesiveness of the programmatic approach will be ensured through the Knowledge Management Project executed by PEMSEA under the World Bank's close supervision. The project will enable better coordination with parallel regional environmental actions, such as the Regional Seas Programme (RSP) launched by UNEP, the Coordinating Body on the Seas of East Asia (COBSEA), the the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA), ASEAN Senior Ministers on the Environment (ASOEN) and Vision 2020, Coral Triangle Initiative (CTI), Mangroves for the Future (MFF), as well subregional organizations, regional fisheries and river basin management mechanisms.

The monitoring and evaluation of the Program will follow best practice and the rules of the M&E system applied to all the World Bank projects.

K. Identify key stakeholders involved in the program including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

Key stakeholders of the program and their respective roles are described in the table below.

	Stakeholders	Roles
Investment Projects	(a) relevant government agencies in all participating countries	Leading project preparation; making decisions on investment activities; proposing and implementing policy actions; supervising project implementation; monitoring and evaluating project implementation; leading knowledge management activities; promoting large scale replication
	(b) project targeted communities	Participating in project activities; changing production and consumption behaviors; reporting implementation status of project activities; participating in decision making process related to their project activities;
	(c) civil society organizations	Participating consultation and contributing to project design; monitoring independently project implementation; and participating project implementation as needed

	(d) development partners	Participating consultation; achieving coordinated development support;
	(e) private sector (fishing companies and eco-business)	Participating in project consultations; carrying out project activities as needed;
Knowledge Management Projects	(a) Project executing agencies (PEMSEA for the Knowledge Management Project; the University of Queensland for CCRES)	Project preparation and implementation; information collection, reporting; monitoring and evaluation; knowledge collection, analysis, packing and dissemination
	(b) investment project governments	Exchange of project implementation information; domestic dissemination and scale up of best practices implemented under the program
	(c) development partners/Civil Society Organizations	Exchange of project implementation information; promotion of best practices implemented under the program

L. Indicate the co-financing amount the GEF agency is bringing to the project:

It is expected that the proposed program will mobilize about US\$580 million financing from the World Bank, either as IBRD loans or IDA Credit. At submission of this program, the expected cofinancing from national governments to their projects is about US\$151 million. Cofinancing from other entities, including local governments, are expected to be about US\$44 million.

M. How does the program fit into the GEF Agency's program (reflected in documents such as UNDAF, CAS, etc.) and the Agency staff capacity in the country to follow up program implementation:

As noted above, the program's country specific interventions will be fully mainstreamed into the World Bank's lending operations, developed based on the World Bank's CAS/CPS for the particular countries. The World Bank has sufficient financial and staff capacity to carry out preparation and implementation of the proposed program activities.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

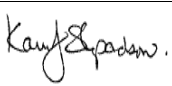
A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter \(for Qualifying GEF Agency\)](#) and [Operational Focal Point Endorsement letter \(for Program Coordination Agency\)](#) with this template.

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Analiza Rebueta Teh	Undersecretary/Chief of Staff	DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, PHILIPPINES	8/31/2011
Dana A. Kartakusama	GEF Operational Focal Point/Assistant Minister	ECONOMY AND SUSTAINABLE DEVELOPMENT,	

		INDONESIA	
Nguyen Van Tai	GEF Operational Focal Point/Director General, ISPONRE	MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT, VIETNAM	
Jiandi Ye	GEF Operational Focal Point, International Department	MINISTRY OF FINANCE, CHINA	

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation. Following the new project cycle, [Enter Agency(ies) name] will submit all PIFs under the program within 6 months after Council approval of the PFD.

Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Karin Shepardson Program Manager, ENVGC		August 2011	Jiang Ru	202 473-8677	jru@worldbank.org

LIST OF PROJECTS UNDER THE PROGRAM FRAMEWORK

Projects Submitted for Council approval in this work program + Future submissions:						
<u>Project Title</u>	<u>GEF Amount (\$)</u>			<u>Agency Fee (\$)</u>	<u>Total (\$)</u>	<u>Expected Submission Date</u>
	<u>Focal Area 1</u>	<u>Focal Area 2</u>	<u>TOTAL</u>			
	<u>Project</u>	<u>Project</u>	<u>Project</u>			
<u>FSP submitted with PFD in the work program</u>						
1.Targeted Learning And Innovation: Capturing Coral Reef Ecosystem Services In East Asia	4,500,000		4,500,000	360,000	4,860,000	Same as program framework document
2.Philippines Manila Bay Integrated Water Quality Project	7,400,000		7,400,000	592,000	7,992,000	
3.			0		0	
4.			0		0	
<u>Total</u>	11,900,000	0	11,900,000	952,000	12,852,000	
<u>MSPs Submitted for CEO approval</u>						
1.			0		0	
2.			0		0	
3.			0		0	
<u>Total</u>	0	0	0	0	0	
<u>FSP Projects to be submitted in future work programs:</u>						
1.China Guangdong Agricultural And Rural Pollution Reduction Project	5,100,000		5,100,000	408,000	5,508,000	2012-03-01
2.Philippines Central Region Rural Development Project	2,000,000	5,000,000	7,000,000	560,000	7,560,000	2012-04-01
3.Indonesia Coral Reef Management Project Phase 3	2,000,000	10,000,000	12,000,000	960,000	12,960,000	2012-03-01
4.Vietnam Coastal Resources	3,000,000	3,500,000	6,500,000	520,000	7,020,000	2011-12-01

For Sustainable Development Project						
Total FSPs	12,100,000	18,500,000	30,600,000	2,448,000	33,048,000	0
MSP Projects to be submitted for CEO Approval						
1. Knowledge Management For Program Implementation	1,000,000		1,000,000	80,000	1,080,000	2012-06-01
2.			0		0	
3.			0		0	
4.			0		0	
Total	1,000,000	0	1,000,000	80,000	1,080,000	

Note: Qualifying GEF Agencies submitting the PFD do not need to fill this table. For all other GEF Agencies, fill in the focal area split, if any. If more than two focal areas involved, add columns as necessary.