

**UNITED  
NATIONS**

**UNEP/DEPI/COBSEA**  
IGM 21/4

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Distr.: Restricted  
22 January 2013  
Original: English



**Coordinating Body on the  
Seas of East Asia  
(COBSEA)**

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**Twenty-first Meeting of the Coordinating  
Body on the Seas of East Asia (COBSEA)**  
Bangkok, Thailand, 26 March 2013

## **Sustainability Options**

**December 2012**  
**United Nations Environment Programme**



# 1. Introduction

The East Asian Seas regional seas programme was established in 1981 as part of UNEP Regional Seas Programme. The Action Plan for the Protection and Development of the Marine and Coastal Areas in the East Asian Region was adopted in 1981 and revised as the Action Plan for the Protection and Sustainable Development of the Marine and Coastal Areas in the East Asian Region in 1994.

A Trust Fund for the Action Plan was established in 1982. Contributions from participating governments to the East Asian Seas Trust Fund are according to a scale determined from time to time by the governments concerned. At the request of the participating governments the authority for the administration of the Trust Fund was entrusted to the Secretary-General of the United Nations, who delegated it to the Executive Director of UNEP. The Trust Fund is therefore administered according to the financial rules of the United Nations and the terms of reference agreed by the participating governments. These arrangements are subject to review at ad hoc intervals by the participating governments.



The Coordinating Body on the Seas of East Asia (COBSEA) was established in 1982 as the policy coordination and decision-making inter-governmental body for the Action Plan. Currently COBSEA consists of 9 member States, i.e., Indonesia, Malaysia, Philippines, Singapore Thailand, Cambodia, China People’s Republic of, Republic of Korea and Vietnam.

COBSEA is the overall authority to determine the content of the action plan, to review its progress and to approve its programme of implementation, including the financial implications – it decides on the budgetary issues related to the Action Plan and its activities funded by the Trust Fund. COBSEA discharges its responsibilities through biennial Intergovernmental Meetings (IGM) of governments that participate in the action plan. For this purpose, the participating governments employ COBSEA as the sole decision-making body for the action plan. COBSEA does not have a legally binding convention.

The IGMs are organized and convened by the Secretariat. In those meetings High Level officials –the national focal points- are mandated to make decisions for the countries they represent. COBSEA makes policy decisions concerning all substantive and financial matters related to the action plan, and in particular, (i) adopts a workplan for the implementation of the programme; (ii) approves the budgetary resources required to support the work plan and their allocation; (iii) reviews the progress achieved in implementing the programme since the previous meeting; (iv) evaluates the results achieved; (v) reviews, amends, and extends its Long-Term Strategy; and (vi) provides information and guidance on the coordination of coastal and marine environmental activities within and without the framework of the East Asian Seas activities.

At the request of the governments participating in the action plan the Executive Director of UNEP established the Regional Coordinating Unit for the East Asian Seas Action Plan (EAS/RCU). The EAS/RCU is expected to function primarily as the Secretariat of the action plan. In addition, the EAS/RCU provides the overall technical coordination and the continuous supervision of the implementation of the action plan. The EAS/RCU is also tasked with programme and financial management. When the Action Plan was revised in 1994, UNEP was requested to continue supporting the action plan as part of its Regional Seas Programme. The COBSEA Secretariat is accommodated by UNEP in its Bangkok Office.

Currently the Trust Fund does not have sufficient funds for implementing the Programme of Work for COBSEA. The current total level of voluntary contributions to the Trust Fund is \$154,600 per year<sup>1</sup>. However, external funds have been secured for selected projects totalling over US\$1.5 million.

According to the decisions made by the conference of plenipotentiaries that approved the revised Action Plan in 1994, the Action Plan is ultimately expected to be financially self-supporting through the East Asian Seas Trust Fund or any other approved and appropriate mechanisms. It was expected that in the meantime the Environment Fund of UNEP would provide financial support to the action plan although this would, over time, decrease as a proportion of the total annual cost. The cost to UNEP relating to the supervision of the activities of the EAS/RCU, in so far as its own staff and related costs are concerned, is estimated at US\$ 340,000 per year. In addition, UNEP supports COBSEA in raising funds for project implementation and creating partnerships. Subject to the availability of funds, UNEP contributes toward the programme in accordance with specific and *ad hoc* needs.

## **2. Background**

In the last Intergovernmental Meeting of COBSEA (20<sup>th</sup> IGM, held in Vietnam in November 2009), the COBSEA member States expressed their concerns over the insufficient levels of the Trust Fund and therefore the ability of the secretariat to execute the programme of work for the implementation of the Action Plan. The IGM noted that the total pledges by the member States were not sufficient to meet the operating costs of a minimal secretariat (one coordinator and one administrative assistant. See Annex 1).

In the framework of the 10<sup>th</sup> meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10), which took place in Nagoya, Japan, in October 2010, the Executive Director of UNEP met informally with the ministers of the COBSEA member States that were participating in the COP 10 and discussed about the critical financial situation of COBSEA. At the meeting, the countries agreed to employ an external consultant to conduct an analysis of options on the future sustainability of COBSEA. The consultant carried out an analysis during 2011/12<sup>2</sup>. The present paper on the analysis of options is partly based on the consultant's report of March 2012<sup>3</sup>.

## **3. Options for COBSEA sustainability**

### **Option 1: Status Quo**

Maintaining the status quo would imply that UNEP continues to administer the secretariat in the same current conditions. This includes the current level of annual contributions to the Trust Fund of \$151,600 from the member States. Currently a small Secretariat is supported by UNEP. The COBSEA Coordinator and a support staff member are employed by UNEP. The level of contributions to the Trust Fund suffices to cover the salary of one parttime coordinator and one administrative assistant. Under this option, any other COBSEA staffing and any activities would need to be drawn from extra-budgetary or project sources, as is the case now.

This option allows COBSEA to exist as a platform for executing self-funded projects. An example of this is the GEF South China Sea SAP Implementation Project, where the Project Unit functions under the auspices of COBSEA. Over the long-term, COBSEA could develop and establish a sustainable financing mechanism and

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<sup>1</sup> Cambodia: US\$5, 000; China: US\$ 30,000; Indonesia: US\$20,000; Republic of Korea: US\$15,000; Malaysia: US\$18,7000; Philippines: US\$25,000; Singapore: US\$10,000; Thailand: US\$20,900; and Vietnam:: US\$10,000.

<sup>2</sup> The full report is attached as Annex 2 to this document.

<sup>3</sup> It is important to take into account when reviewing and interpreting the survey and conclusions of the consultant's report that it is based on a survey with a very small sample size (14 respondents), which is a mix of government representatives (4 respondents), UN agencies (4 respondents), and partners and others (6 respondents).

'firmer arrangements' for cooperation in the protection and management of the marine environment of the East Asian Seas.

Under this option member States would have, on the one hand, a platform –hosted by a UN body- for dialogue on marine issues within the COBSEA area. On the other hand however, the current situation cannot provide for an effective platform for discussing strategic marine and coastal issues common to the member States that includes trans-boundary issues, and does not provide for an efficient implementation of the Action Plan since the current levels of the Trust Fund do not allow the execution of the programme of work and related activities.

It should also be taken into account that a total budget of US\$ 340,000 is needed to maintain a minimal secretariat<sup>4</sup>. The minimum operating cost could be lowered by reducing the scope of the terms of reference of the COBSEA coordinator but this might entail constraints on the level of interaction of the coordinator and its leadership in efficiently and effectively addressing the member States' needs and interests.

This option would require an eventual increment in the pledges by the member States to enable the Secretariat to meet at least the minimum financial levels needed for the implementation of the Action Plan.

## **Option 2: A Member State offers to host the COBSEA Secretariat**

This option foresees that the COBSEA secretariat be 'hosted' by a member State, which would provide support to operate the secretariat including office premises, operational costs and staffing. Secondment of government officers by member States would also assist in the operation of the secretariat. This is the model used by other UNEP-administered Regional Seas, such as the Mediterranean and the North West Pacific Action Plan (NOWPAP). This would allow the Trust Fund to be used for the implementation of selected core activities, while UNEP would also provide support to carry out activities as prioritized by the member States, and continue assisting in mobilizing external funds.

This option would involve moving the Secretariat out of the UNEP Office in Bangkok to premises offered by the host country. The professional staff of the Secretariat would continue to be UNEP staff, as agreed by the member States in the Action Plan. As in Option 1 above, this option would allow COBSEA to be maintained as a regional platform for executing self-funded projects.

Under this option the host country would have the standing of hosting a U.N office, demonstrating its commitment in the field of regional cooperation in protecting and sustainably managing the marine and coastal environment. By hosting a formal UN office, the international image of the host country is enhanced and promoted in the region and in the world and attracts international events and research, as well as keeps awareness and thus permanent discussion of the environmental issues at stake.

This option would also enable COBSEA to be further strengthened through the execution of regional projects, and in the medium term to establish a sustainable financing mechanism.

This option would require commitment by a host country to provide funding as shown in Tables 1 and 2 in Annex 1, and by the other member States to continue disbursing their contributions –and eventually increase them.

## **Option 3: Merger with or transfer of COBSEA to another regional organization or institutional mechanism**

This option envisages COBSEA being 'transferred to' or 'merged with' another regional organization or institutional mechanism. The most viable one would be PEMSEA (Partnership in Environment Management for the Seas of East Asia) but member States might identify other suitable ones. Several regional bodies that focus on marine and coastal environment issues have been established since COBSEA was created. A natural potential

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<sup>4</sup> The current shortfall is being covered by UNEP.

candidate body, which deals with coastal and marine environmental and management issues is PEMSEA (Partnerships in Environmental Management for the Seas of East Asia).

PEMSEA is a partnership arrangement involving various stakeholders of the Seas of East Asia, including national and local governments, civil society, the private sector, research and education institutions, communities, international agencies, regional programmes, financial institutions and donors. It is also the regional coordinating mechanism for the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA).

The regional coordinating mechanism established by the countries is a unique and innovative approach to the management of regional seas. The mechanism is not legally binding, as is the case with regional conventions. Rather, it is an arrangement founded on the principles of partnership, and dedicated to the achievement of the shared vision and objectives of the SDS-SEA. As a partnership, the regional arrangement is inclusive of all concerned stakeholders and is outcome-oriented, meaning that the partnership is based on identified common objectives or goals of stakeholders.

The PEMSEA country partners are Cambodia, China People's Republic of, Democratic People's Republic of Korea (DPRK), Republic of Korea, Japan, Indonesia, Lao People's Democratic Republic, Philippines, Singapore, Timor Leste, and Vietnam.

This shows that most countries participating in PEMSEA are also members of COBSEA, while Malaysia and Thailand only participate in COBSEA. DPRK, Japan, Lao People's Democratic Republic and Timor Leste are not members of COBSEA. The PEMSEA also includes over a dozen of non-country members, as well as UN programmes and projects, i.e., the UNEP/GPA, and one regional seas member, i.e., NOWPAP.

On 15 December 2006 the Haikou Partnership Agreement was signed among eleven countries, thereby formally establishing PEMSEA as the regional coordinating mechanism for the implementation of the SDS-SEA. The Agreement also confirmed the countries' resolve to transform PEMSEA from a regional project-based arrangement to a self-sustained and effective regional collaborative mechanism with a mandate to pursue the implementation of the SDS-SEA through collaborative, synergistic and responsible actions. On 16 December 2006, twelve stakeholder organizations signed the Partnership Operating Arrangements, thus becoming the first group of non-governments to be formally recognized as PEMSEA Partners for the implementation of the SDS-SEA.

PEMSEA also has strength in its local government network and its regular triennial East Asia Seas Congresses. At the 2009 East Asian Seas Congress eight countries signed an agreement recognizing the legal personality of PEMSEA, which transforms PEMSEA into an international body working on sustainable development of the region's coastal and marine areas.

The five core staff of the PEMSEA Secretariat, plus their operating expenses, cost about US\$ 700,000 per year. While PEMSEA is recognised as an international body, it has not sought the status of an inter-governmental body. Considerable GEF and World Bank funding (totalling more than US\$100 million) has been raised to support PEMSEA's Programme of Work. It is not clear whether this level of funding will extend beyond the current period of GEF funding, but PEMSEA is continuing to raise additional funds as part of its Sustainable Financing Plan, which was presented to the 2012 EAS Congress.

PEMSEA and COBSEA have cooperated on various issues for several years and PEMSEA has two UNEP programmes as non-government partners. A merger would seem a practical way to incorporate COBSEA's projects and programmes into PEMSEA's scope of action. The terms of such merger, including the issue of membership, would need to be identified and carefully crafted –i.e., would PEMSEA get the mandate to implement COBSEA's Action Plan, would COBSEA become just a partner, would COBSEA as the decision-making body for its Action Plan have any specific role in PEMSEA or would it need to be dissolved, etc.- COBSEA and PEMSEA members would have to negotiate the merger and the member States of COBSEA who

are not partners of PEMSEA would need to become partners. This could prove to be a lengthy process and might require specific funding for negotiations and regional meetings to finalise the terms and conditions of the merger.

PEMSEA has secure funding for at least the next five years. Unless PEMSEA would regard a merger with COBSEA as requiring additional resources, both PEMSEA and COBSEA country members could save funds and reduce inputs by their respective Focal Points and Contact Points. However, it should be taken into account that COBSEA and PEMSEA Focal Points are currently in some cases not in the same ministry/national authority.

PEMSEA has experience in executing GEF Projects. The execution of GEF Projects such as the South China Seas SAP Implementation would be possible under this option.

The fact that PEMSEA is not a recognized intergovernmental platform and is not part of the United Nations may represent a disadvantage for some countries given the different status and calling power.

#### **Option 4: COBSEA Secretariat is hosted by a member State and has non UN status**

Under this option it is envisaged that COBSEA is hosted by one of its member States and no UN agency administers the Secretariat. This would result in the loss of UN status of the body. This would be a similar arrangement as for non UN-administered multilateral environmental agreements and regional seas programmes (such as SACEP/SAS, CPPS, ROPME, PERSGA, etc.) in which member States decide to run by themselves the secretariat of their own regional programmes (with or without a regional convention) The COBSEA would not be bound by the UN rules and regulations as regards administrative, legal, and financial issues, including human resources recruitment and scale of salaries. The host country could propose to establish such a regional secretariat to be hosted by an existing national institution, which would acquire a regional character in the delivery of the programmes and projects. Similar to Option 1 above, this option could maintain COBSEA as a platform for executing self-financed projects, however a non-UN platform. The experience and expertise of the host country in executing certain projects, i.e., GEF projects, could be a factor to be considered.

This option would give the host country the standing of hosting a regional organization, demonstrating in this way its commitment in the field of regional cooperation in protecting and managing the marine and coastal environment. The fact of not having to follow the UN rules and regulations, including the security and staff rules and non-UN scale of salaries would contribute to reducing the cost of the secretariat. At the same time COBSEA could be further strengthened through executing projects with a view to establishing a sustainable financing mechanism in the medium term. On the other hand, however, the absence of a neutral driving force like the UN might slow down the process of the establishment of a non-UN administered COBSEA Secretariat, the implementation of the Action Plan and fund raising activities.

## **4. Conclusion**

Four options have been presented providing for the sustainability of COBSEA in one way or another. All the options have advantages and disadvantages to a further or lesser extent along with considerations on how far member States would need to commit themselves, to undertake dialogue and take collective action to strategically and fruitfully address marine and coastal issues in the COBSEA region, together with how effectively and efficiently the secretariat could be run. Political implications are also to be considered when analysing whether having or not a United Nations entity administering the secretariat and therefore maintaining or losing with it the highest standards of neutrality, transparency and accountability along with the UN convening power and fund raising possibilities. The financial implications are also a very important consideration in the analysis of the options. What is certain is that member States need to agree on a way forward. UNEP will continue supporting COBSEA and is ready to act on the decisions that member States are required to make at the upcoming IGM proposed for March 2013. UNEP reiterates its readiness to act swiftly and timely in the implementation of such decisions.

## Annex 1 – Financial information

The East Asian Seas Trust Fund, the only financial mechanism of COBSEA, became operational in 1982. Although COBSEA has mobilized external funding for major projects, these projects have not contributed to the Secretariat costs and the Secretariat indicated that most funding organisations or donors would not agree to the Secretariat costs as part of their project funding. The current level of voluntary contributions from the member countries totals US\$151,600 per year. The recommended contributions were based on current contribution level and economic status and base contribution of US\$15,000 for any country.

**Table1: Existing and Recommended Annual Contributions to COBSEA Trust Fund**

Country	Annual Contribution (USD)	
	Current	Recommended
Cambodia	5,000	15,000
China	30,000	60,000
Indonesia	20,000	40,000
R. of Korea	15,000	60,000
Malaysia	18,700	38,000
Philippines	25,000	50,000
Singapore	10,000	20,000
Thailand	20,900	42,000
Viet Nam	7,000	15,000
<b>Total</b>	<b>151,600</b>	<b>340,000</b>

**Table 2: Minimum required annual budget to run a functioning Secretariat**

Cost	USD
(a) Personnel <sup>5</sup>	
- Coordinator	200,000
- Administrative Assistant	68,000
(b) Travel	18,000
(c) Rental	14,000
(d) COBSEA activities and projects development	20,000
(e) Expendable and office equipment	6,000
(f) Reporting and publications	5,000
(g) Communication	5,000
<b>Total</b>	<b>340,000</b>

<sup>5</sup> If the coordinator position is reduced from P5 to P4 further cost savings of 20,000 to 25,000 USD are possible.

**Annex 2**

**Original consultant report “COBSEA – Examination of Options - carried out by Mr. Peter King**