



TRANSITION PLAN: FROM ATSEA-2 PROJECT ARRANGEMENTS TO ATS RGM OPERATIONALISATION

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Published by:

ATSEA-2 Regional Project Management Unit
Jl. Mertasari No. 140 Sidakarya,
Denpasar 80224, Bali, Indonesia
Telephone: +62 361 448 4147
Email: infoatsea2@pemsea.org
Website: <https://atsea-program.com/>

Cover Image: Sunset reflections in Merauke, capturing the serene beauty of a coastal fishing village.

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BACKGROUND

Over the past two decades, conservation efforts to sustain the resources in the Arafura and Timor Seas have been undertaken initially through the Arafura and Timor Seas Expert Forum (ATSEF) and subsequently through the two phases of GEF-funded and UNDP-supported Arafura and Timor Seas Ecosystem Action (ATSEA) projects. Through the first GEF project (ATSEA-1, 2009-2014), a Strategic Action Programme (SAP) was developed and adopted through a Ministerial Declaration in 2014, which mandated the establishment of a regional collaboration mechanism to support the implementation of the SAP and supporting National Action Programmes (NAPs) including a Regional Coordination Committee (RCC), Regional Secretariat (RS), and a Stakeholder Partnership Forum (SPF). The second GEF project (ATSEA-2, 2019-2024) was designed to support the establishment of a regional collaboration mechanism among the four ATS countries and implementation of key actions in the SAP. ATSEA-2 was also mandated to support the updating of the SAP and NAPs to serve as framework for collaboration among the ATS countries in the next ten years, as well as the development of a long-term ATSEA program.

Under ATSEA-2, project coordination and management mechanisms were established for the regional project that served as interim regional and national coordination and management mechanisms for the implementation of the SAP. These include the following:

- Regional Steering Committee (RSC) as the ultimate decision-making body for the project, and Regional Project Management Unit (RPMU) to coordinate day-to-day operations at the regional level; and
- National Project Boards (NPBs) to provide oversight and guidance, and National Coordination Units (NCUs) to coordinate project implementation at the national level. Moreover, National Inter-Ministerial Committees (NIMCs) in Indonesia, Papua New Guinea (PNG) and Timor-Leste, and a national Stakeholder Partnership Forum (SPF) in PNG were also established.

These project-based mechanisms can serve as a foundation from which the RGM can build upon.

As part of the development of regional and national cooperation mechanisms in the ATS, ATSEA-2 facilitated a regional governance assessment and regional and national consultations that have resulted in a preferred design for a regional governance mechanism (RGM) which includes the following:

- At the regional level, a Council of Ministers (COM), Regional Coordination Committee (RCC), Regional Secretariat, and a representative Regional Stakeholder Working Group (RSWG);
- At the national level, a National Coordination Committee (NCC), National Secretariat (NS), and National Stakeholder Working Groups (NSWGs) to be organized in line with country preferences; and
- Strategic Development Partners (SDP) composed of international development partners, donors, and NGOs to provide technical and funding support for the implementation of the SAP and NAPs.

The four ATS countries endorsed a preferred RGM design during the Intersessional RSC Meeting on July 11, 2023, after which detailed arrangements (TORs and Transition Plan) were further developed for endorsement of the 5th RSC Meeting in November 2023, and formal adoption during the Ministerial Forum in September 2024.

Considering the limited timeframe of the ATSEA-2 project, a phased approach is recommended to facilitate a smooth transition to the RGM. The inception phase will be initiated under ATSEA-2, while the implementation phase will be undertaken post ATSEA-2.

This draft Transition Plan defines the key steps, associated tasks, and activities to move from the project-based arrangements to the long-term RGM.

WHAT NEEDS TO TRANSITION?

The transition from the ATSEA-2 Project to the ATSEA-2 Program will need to take into account the following considerations and factors:

- 1) Transition in the coordination and management mechanism as follows:
 - a. From the RSC and RPMU to the RCC and RS, and establishment of COM and RSWG;
 - i. Official designation of country representatives in the COM and RCC
 - ii. Official designation/confirmation of RS office and hiring and/or secondment of RS staff
 - iii. Country nominations and establishment of RSWG
 - b. From the NPB, NIMC and national SPF to the NCC, NS, NSWGs
 - i. Formal establishment of the NCC
 - ii. Official designation/confirmation of NS office and hiring (or secondment or designation) of NS staff
 - iii. Establishment of NSWGs
 - c. Engagement of Strategic Development Partners (SDP)
 - i. Establish criteria and process for identifying, assessing and engaging SDPs
 - d. Work planning, program implementation and M&E and reporting processes
 - i. Developing processes and guidelines building on ATSEA-2 good practices (e.g., rules of procedures, SOPs, etc.)
 - ii. Applying the ATS SAP Monitoring and Reporting System
- 2) Transition in the status or legal personality from the ATSEA-2 (with project-based arrangements) to the ATS RGM (an inter-governmental partnership mechanism) which may have implications on the legal and financial arrangements for operations in the host country for the Regional Secretariat and for the participation of the countries in the RGM. Further advice will be needed from ATS countries on the following:
 - a. Country requirements and processes for participation in an inter-governmental regional mechanism/organization;
 - b. Establishment or conferment of 'legal personality' of ATSEA in each country, and the processes and requirements involved; and
 - c. Need for and development of a Headquarters' Agreement with the host country of the Regional Secretariat.

If the mandate from the Ministerial Declaration in 2024 will be sufficient to initiate the RGM and SAP implementation, these legal processes may be addressed in the course of developing or strengthening the governance mechanisms for the ATSEA Program (after ATSEA-2).

- 3) Transition in the funding and financial management mechanism, including:
 - a. Funding sources (country contributions, projects, donors, partners, etc.); legal processes and requirements for countries to contribute to ATSEA; processes and requirements for ATSEA to access funds from donors and other potential partners
 - b. Mechanism to receive and disburse funds (e.g., Establishment of Trust Fund/Project Fund/Partnership Fund, etc.)
 - c. Legal Personality of ATSEA (and the Regional Secretariat) to transact financially in the host country (e.g., registration with appropriate government agencies, opening of bank accounts, tax status/requirements, etc.)
 - d. Financial reporting and audit processes

Some of the above items will need to be clarified/undertaken in the development of the detailed arrangements for the RGM and development of financing strategy and plans for the RGM and updated SAP (as part of ATSEA-2 work before the Ministerial Forum and signing of Ministerial Declaration). While some will be undertaken after the Ministerial Forum as part of the initiation of the RGM (e.g., launching of the RGM including organizational meetings of the RCC, RSWG, NCCs and NSWGs, establishment of the RS and NS and SDP, initiating processes for legal recognition of ATSEA in member countries and development of Headquarters' Agreement, development of governance documents, etc.). As such, some of these activities will still be supported by ATSEA-2 until the project's operational closure on December 2024, but some will need to be undertaken or continued after ATSEA-2 (through the coordination of the RS with the guidance of the RCC).

To ensure a smooth transition process, it is crucial that the key structures and systems are put into place before the closure of the ATSEA-2 project. In particular, this includes the establishment and initial operationalization of the ATS RGM with a clear financing plan, as well as endorsed implementation and financing plans for the updated SAP and NAPs. In terms of the RGM, following the signing of the Ministerial Declaration in 2024 the first year of implementing the updated SAP should focus on organizational development and strengthening including establishing and operationalizing each element in the RGM and developing the governance processes for the RGM and implementation of the updated SAP.

Potential support from current Implementing Partners (e.g., UNDP, PEMSEA) may also be considered while ATSEA is in the process of developing its organizational and financial mechanisms.

DRAFT TRANSITION PLAN

The following table presents a proposed Transition Plan, which includes key steps, associated tasks and activities, and timeframe to move from the ATSEA-2 Project to the ATS RGM. The plan is presented in two phases: under ATSEA-2 (Inception Phase) and post-ATSEA-2 (Implementation Phase). The plan also identifies responsible parties for implementing the identified tasks.

Draft Transition Plan from ATSEA-2 to ATS RGM

Transition Checklist	INCEPTION PHASE Under ATSEA-2 (July 2023 – December 2024)			IMPLEMENTATION PHASE Post ATSEA-2 (January 2025 onward)		
	Key steps, tasks, activities	Timeframe	Responsible Parties	Key steps, tasks, activities	Timeframe	Responsible Parties
1. Program coordination and management mechanism (from ATSEA-2 Project to ATSEA)						
Endorsement and formal adoption of agreed RGM model	Following endorsement of RGM Model Option 1 in the July 2023 Intersessional RSC Meeting: <ul style="list-style-type: none"> Finalization of TORs for RGM elements & Transition Plan Endorsement of RGM TORs, Transition Plan, Financing Plans in the 5th RSC Meeting 	Mid-July to November 2023	RPMU in collaboration with the ATS countries (NPDs/NFP), NCUs & RGM Advisors			
	Drafting of Ministerial Declaration, and preparations for Ministerial Forum	Jan-Sept 2024	Same as above			
	Special RCC Meeting to review and finalize the Ministerial Declaration	April 2024	Same as above; AUS as possible host?			
Establishment of ATS Council of Ministers	Official designation of country representatives in the COM	Q2/Q3 2024	ATS countries	Organization and conduct of biennial ATS Ministerial Forum	Every 2 years	RS with guidance from RCC, in coordination with NS
	Conduct of RCC and ATS Ministerial Forum; Inaugural meeting of ATS COM during the 2024 Ministerial Forum	Sept 2024	RPMU with support from countries, NCUs, and TL as host country of MF			

From RSC to RCC	<p>Official designation of country representatives in the RCC</p> <p>Launching/ inaugural meeting of the RCC (after the Ministerial Forum)</p> <p>Approval of 5-year SAP Implementation Plan and 2025 work plan and budget in the RCC meeting (final project RSC meeting)</p>	<p>Q2/Q3 2024</p> <p>Sept. 2024</p> <p>November 2024</p>	<p>ATS countries</p> <p>RPMU with support from countries and NCUs, and TL as host of MF</p> <p>RPMU with support from countries and NCUs, and host country of RCC/RSC (TBD)</p>	<p>Operationalization of RCC in line with agreed work plan and budget</p> <p>Annual meeting of RCC</p>	<p>2025 onward (in line with agreed work plan)</p> <p>November of each year</p>	<p>RS with guidance from RCC, in coordination with NS</p>
From RPMU to Reg'l. Secretariat	<p>Official designation/ reconfirmation of RS office</p> <p>Recruitment and/or secondment & briefing of (core) RS staff (based on RGM financing plan & strategy)</p> <p>Setting up of RS office</p> <p>Turn over briefing of RPMU to RS (including transfer of project assets to the RS)</p>	<p>Q4 2024 (after signing of Min. Declaration)</p> <p>Sept-Dec 2024</p> <p>Q4 2024</p> <p>Dec. 2024</p>	<p>RS Host Country</p> <p>RCC with support of UNDP, PEMSEA</p> <p>RS staff supported by RPMU as needed</p> <p>By RPMU but needs agreement from UNDP</p>	<p>Operationalization of RS</p> <ul style="list-style-type: none"> • Complete staff onboarding and office set up • Host country agreement (with clear provisions on status of the organization and international and local staff including tax obligations, e.g., taxable or tax exempt) • Develop RS processes, SOPs; 	<p>2025</p>	<p>By RS with guidance from RCC and Host Country (on Host Country Agreement)</p> <p>Documents are subject to approval of RCC</p> <p>Host Country Agreement will be subject to host country review and approval processes</p>

			regarding transfer of project assets	Program management and monitoring system; Financial control and management system; staff manual/guidelines; Code of ethics and disciplinary measures, and other management and governance guidance documents		
Establishment of RSWG	Country nominations and establishment of RSWG Launching/inaugural meeting of the RSWG (after the Ministerial Forum); develop/review work plans in support of SAP & NAP implementation	Q2/Q3 2024 Sept. 2024	ATS countries, coordinated by RPMU, NCUs RPMU with support from the countries and NCUs, and TL as host country of MF	Operationalization of the RSWG in line with agreed work plan Annual meeting prior to annual RCC meeting	2025 onward (in line with agreed work plan) November of each year	Coordinated by RS in coordination with NS
From NPB & NIMC to NCC	Formal establishment of the NCCs building on the NPBs & NIMCs	Q3-Q4 2024	ATS countries with support from NCU, RPMU	Operationalization of NCCs in line with agreed work plans	2025 onward (to be determined by country)	ATS Countries, coordinated by NS

	First meeting of the NCCs (review work plans in support of SAP & NAP implementation)	Q3-Q4 2024		Annual meeting of NCC		
NS	Official designation/ confirmation of NS office	Q3-Q4 2024	ATS Country	Operationalization of NS <ul style="list-style-type: none"> Complete staff onboarding and office set up Develop NS processes & SOPs, program management and monitoring system, and financial control and management system, etc. in line with country / ministry processes 	2025	ATS Countries (NS, with guidance from Focal Ministry/ Focal Point and NCC)
	Recruitment or secondment/ designation & briefing of NS staff	Q3-Q4 2024	ATS Country, supported by NCU as needed			
	Setting up of NCU office	Q3-Q4 2024	NS staff supported by NCU as needed			
	Turn over briefing of NCU to NS (including transfer of project assets to the NS?)	Dec. 2024	By NCU but needs agreement with UNDP			
NSWG	Establishment of NSWGs; first meeting of NSWGs (develop/review work plans in support of SAP & NAP implementation)	Q3-Q4 2024	ATS Countries, with support from NCU, RPMU as needed	Operationalization of the NSWGs in line with agreed work plans <ul style="list-style-type: none"> Annual meeting prior to annual NCC meeting 	2025 onward (to be determined by country)	ATS Countries, coordinated by NS
Engagement of Strategic Development Partners (SDP)	Develop criteria and process for identifying, assessing and engaging SDPs; submit for approval of 5 th RSC	July 2023 - Nov 2023	RPMU in consultation with the countries	Receive and assess Expressions of Interest and proposals from potential SDPs	2025 onward (based on RCC-agreed process and schedule)	RS, NS, NCC (and relevant NSWGs)
	Receive and assess Expressions of Interest and proposals from	Q2 2024				

	(or RSC/RPMU to invite) potential SDPs			Approval of EOIs and proposals; acceptance of SDPs by RCC		RCC
	Approval of EOIs and proposals; acceptance of SDPs by RSC	Q2 2024				
	Inaugural meeting of founding members of SDP after the Ministerial Forum	Sept 2024				
2. Status/Legal Personality						
Status or legal personality from a project to a program (or from project-based arrangements to an inter-governmental regional governance mechanism)	Secure information on country requirements and processes for: <ul style="list-style-type: none"> Participation in the ATS RGM (inter-governmental /organization Establishment or recognition of the ‘legal personality’ of ATSEA in each country Need for and dev’t of Headquarters’ agreement with the host country of the Regional Secretariat Consultation on legal processes and requirements; initial preparations	Mid-July to Nov 2023 (Inputs to refinement of RGM TORs, Transition Plan, and Financing Plans for RGM & Updated SAP & NAPs, for endorsement in the 5 th RSC meeting) Nov 2023 – Q2 2024	ATS Countries (NPDs) With support from NCUs & RPMU & RGM Advisors	In line with country requirements and processes, facilitate: <ul style="list-style-type: none"> Recognition of the ‘legal personality’ of ATSEA in each country Official arrangements for country participation in ATSEA RGM Development and adoption of Headquarters’ Agreement for the RS in host country	2025 (May start after Ministerial Declaration on September 2024)	RCC, RS ATS Countries (National Focal Ministries/Focal Point, NCC, NS)

3. Funding and financial management mechanism						
Funding sources and mechanisms to receive and disburse funds	As part of the development of financing plans for the RGM & Updated SAP, confirm:	July-Nov 2023	ATS countries, with the coordination of RPMU and support of consultant and NCUs	Implement the RGM and SAP financing plans, including: <ul style="list-style-type: none"> Facilitating country financing commitments to support the RGM Establishment of Trust Fund/ Project Fund/ Partnership Fund, etc. Streamlining priority actions in the NAP/SAP into country frameworks and budgets Developing projects for submission to donors (or in collaboration with Strategic Dev't Partners) Exploring/ developing innovative 	2025 onward	ATS countries
	<ul style="list-style-type: none"> Options & strategies for financing the RGM and SAP (country contributions, projects, donors, partners, etc.); Mechanisms to receive and disburse funds (e.g., Trust Fund/ Project Fund/ Partnership Fund, etc.) Legal processes and requirements in each country 					
	Endorsement of RGM financing strategy and review of draft SAP financing plan in the 5 th RSC Meeting	November 2023	RSC			
	Workshops to present financing plans for streamlining in country plans & budgets, and to potential donors	Dec 2023 – Q1 2024	RPMU & Consultant in coordination with NCUs			
	Endorsement of SAP financing plan by the RSC	Q1/Q2 2024	RSC			
Preparation/ undertaking of legal processes to facilitate country	Dec 2023 – Q2 2024	ATS Countries				

	<p>commitments & establishment of financial mgt mechanism</p> <p>Adoption of RGM, SAP and financing plans through the 2024 Ministerial Declaration</p> <p>Develop project proposals for submission to donors</p>	<p>Sept. 2024</p> <p>Q1 2024 – Dec 2024</p>	<p>ATS Countries</p> <p>UNDP in consultation with countries</p>	<p>financing mechanisms</p>		
<p>Legal Personality of ATSEA (and the Regional Secretariat) to transact financially in the host country</p>	<p>Determine legal requirements and processes in the RS host country</p> <p>Initiate legal processes to support RS hosting and establishment of legal status to transact financially</p>	<p>Aug-Nov 2023</p> <p>Q3-Q4 2024</p>	<p>RS Host Country with support from RPMU</p>	<p>Development and operationalization of financial management system:</p> <ul style="list-style-type: none"> • Registration with appropriate government agencies in the RS host country • Opening of bank accounts • Etc. 		
<p>Financial reporting and audit processes</p>				<p>Develop and implement financial reporting and audit processes</p>	<p>2025</p>	<p>RS under the guidance of RCC</p>



ATSEA-2 Regional Project Management Unit

3rd Floor Annex Building of Tuna Research Center, MMAF
Jl. Mertasari No.140 Sidakarya,
Denpasar 80224, Bali, Indonesia

P: +62 361 448 4147

E: infoatsea2@pemsea.org

W: <https://atsea-program.com/>