



FINANCING AND INVESTMENT STRATEGY FOR THE ARAFURA AND TIMOR SEAS REGIONAL GOVERNANCE MECHANISM

Endorsed by the 5th ATSEA-2 Regional Steering Committee (RSC) Meeting,
November 2023

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Timor Seas Ecosystem Action Phase II (ATSEA-2) Project
November 2023



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The Regional Governance Mechanism (RGM) for the Arafura-Timor Seas consists of the (1) regional component – Council of Ministers (COM), Regional Coordinating Committee (RCC), Regional Secretariat, and Regional Stakeholder Working Group (RSWG), and (2) national component – National Coordinating Committee (NCC), National Secretariat, and National Stakeholder Working Groups (NSWGs)

One benefit of having a regional governance mechanism in place is the coordinated implementation of the Strategic Action Programme (SAP) to address priority transboundary issues. The RGM can advocate for the adoption and implementation of sound environmental policies, National Action Plans, regional and national activities, and supporting legal and economic instruments to protect rare, threatened, and endangered species, establish marine protected areas (MPAs), and promote sustainable practices to deter and end IUU fishing, reduce marine plastic pollution from land- and sea-based sources, mitigate oil spills, protect critical habitats, and adapt to climate change, and thereby, conserve key coastal and marine ecosystems. Through the RGM, the SAP activities can be carried out in a coordinated, systematic, and timely way. Such actions can contribute to ensuring that the ecosystem services in the ATS region will continue to benefit the future generations. Without the governance mechanisms, coastal and marine resources are in effect under an open access system, which could lead to the collapse of fisheries and loss of ecosystems and biodiversity in the region.

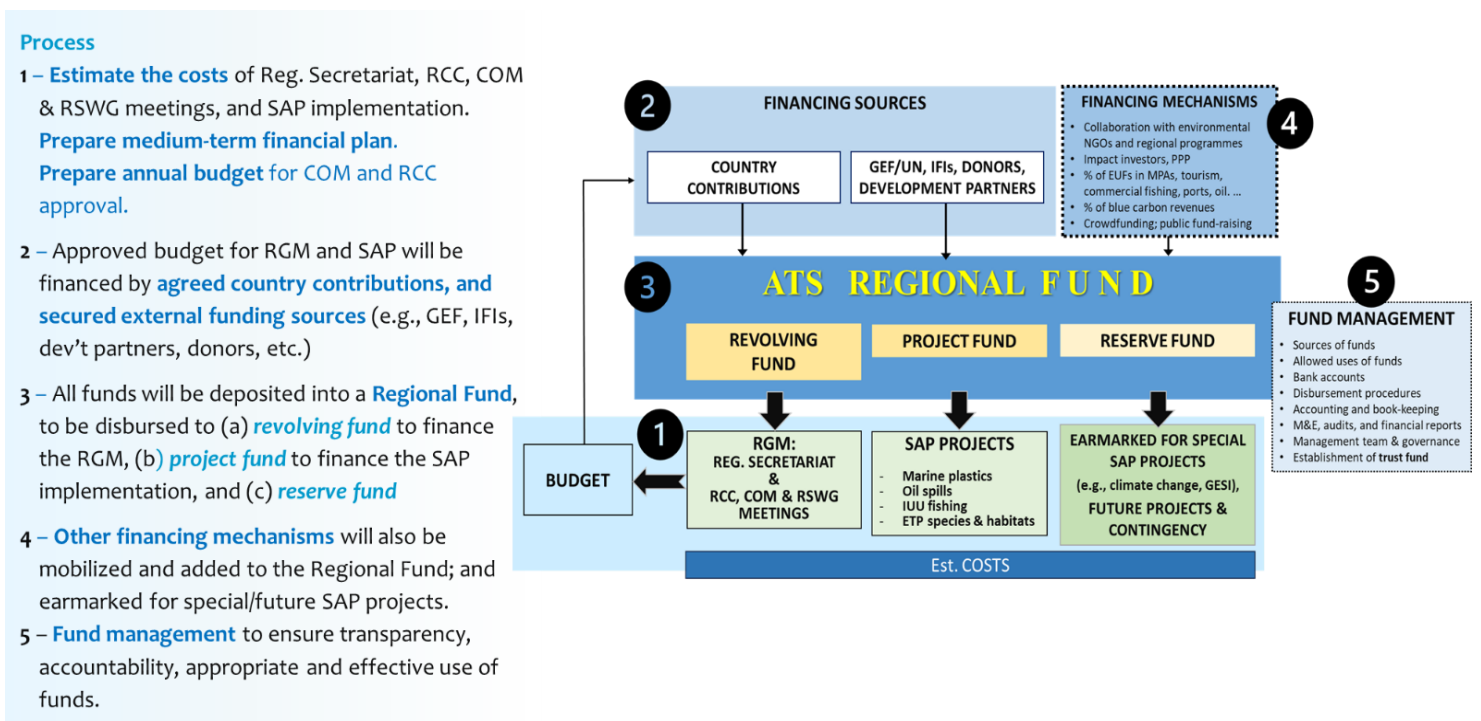
The initial dilemma was the selection of the appropriate RGM model that is fit for purpose and cost effective. **Option 1** includes the RSWG. There are also two scenarios considered under this option: **Option 1a** wherein the NSWGs will be *ad hoc* or formed as needed, and the RSWG will be expanded; and **Option 1b** wherein the NSWGs will be established more formally and the RSWG will be smaller. In **Option 2**, there will be no RSWG, but the RCC may be expanded.

The costs for each option were estimated, in particular the costs of the Regional Secretariat, secretariat office operation and maintenance, and RGM meetings (RCC, RSWG, and COM meetings). The costs of the national bodies were also initially estimated. The ATS countries agreed that each member country has the discretion in forming their respective NSWGs, National Secretariats, and NCCs considering their needs, priorities, and available resources (human and financial). The structure and members of the RSWG will be based on the priority transboundary issues and SAP components and objectives. To arrive at the costs of the regional secretariat, an organizational structure with the key staff positions was assumed, pending the selection of the RGM model, and approval of the RGM structure and Terms of Reference (TORs) of each component body.

The preliminary cost-benefit analysis (CBA) report focused on the RGM costs and benefits, specifically the comparison of the net benefits of Option 1a, Option 1b, and Option 2. The benefits of having the RGM, including the national component bodies, outweigh the costs for all options. However, **Option**

1-b generates the highest net benefits (NPV) and BCR. Hence, the model that was adopted during the Intersessional RSC Meeting (in July 2023) was **Option 1 with a small RSWG**.

Once the RGM model has been selected, the financing and investment strategy to support the operationalization and sustainability of the RGM was developed. A financing strategy **establishes the fundamental steps of how an organization can achieve its financing targets**, be it short-term or long-term. It involves a strategic plan for how the programme-based ATSEA can finance its overall operations and planned activities. It is concerned with accessing the necessary funds to support the RGM, the procurement, judicious utilization, and management of funds to ensure adequate and regular supply of funds to fulfil the present and future requirements of the organization and/or programme. The following figure shows the key steps in financing the RGM and SAP implementation:



For the RGM financing, the countries recommended focusing on the cost estimation of the regional components of the RGM, i.e., Regional Secretariat (staff and office) costs and RGM meetings.

Due to limited resources and constraints (regarding country contributions at this point) in some countries, the four ATS countries agreed to reduce the size of the Secretariat for the first two years and fill the other staff positions in the third year or when external funding becomes available. The cost of the scaled-down Regional Secretariat consists of the remuneration of the core staff (Regional Director and Coordinator; Resource Mobilization and Finance Specialist; Administration and Accounting Officer, Executive Assistant), and the secretariat office costs (e.g., utilities, office supplies, internet and software subscription, security and janitorial services, etc.). To further reduce the costs,

there will be no purchase of laptops and printers in 2025 as these items will be carried over from the current phase. The RGM meetings are primarily the meetings/workshops of the RCC, COM, and RSWG. **Table I** shows the revised costs and working budget of the RGM during the bridging phase. The costs of the National Secretariat, NCCs, and NSWGs will be shouldered by the countries and are not shown in Table 1.

Table I. Revised Three-Year Working Budget (US\$)

First year (2025)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+ NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	273,022						273,022
1. Core staff and administrative staff	251,621						
2. Office costs	21,401						
B. REGIONAL GOVERNANCE MEETINGS	8,200	3,250	8,690	8,890	8,290	8,890	46,210
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
	281,222						319,232
Second year (2026)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+ NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	273,022						273,022
1. Core staff and administrative staff	251,621						
2. Office costs	21,401						
B. REGIONAL GOVERNANCE MEETINGS	26,600	5,490	16,635	16,835	15,935	16,835	98,330
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)		560	4,030	4,130	3,930	4,130	
	299,622						371,352
Third year (2027)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+ NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	459,660						459,660
1. Core staff and administrative staff	420,259						
2. Office costs and audit costs	39,401						
B. REGIONAL GOVERNANCE MEETINGS	26,600	4,930	12,605	12,705	12,005	12,705	81,550
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)	-						
	486,260						541,210

To cover the cost and budget, a five-pronged strategy is discussed in this report, combining (i) country contributions; (ii) grants and donations, (iii) income generated from implementing economic instruments and other financing mechanisms, (iv) income generated from interest on the reserve fund, and (v) collaborations with other programmes/projects, development partners, environmental NGOs, and private sector.

It was pointed out that during the first two years of the next phase, the grant financing from GEF and other donors and partners may not yet be available in 2025-2026, after the closure of ATSEA-2 in 2024. Thus, bridge financing is necessary.

A series of national and regional consultations were held in July to October 2023 to discuss the country commitments to support the RGM during the bridging phase while waiting for the approval of GEF financing and other funding from potential donors and partners. The commitments and other recommendations made during the regional meeting on 30 October 2023 and the pre-RSC Meeting on 13 November 2023 are shown in **Table II**.

Table II. Bridge financing commitments (Results of the Pre-RSC Meeting, 13 November 2023)

Country	Country commitments (co-financing)	Regional Director	Finance and Resource Mobilization Specialist	Fund management
Australia	<ul style="list-style-type: none"> • Cannot make any commitment before the Ministerial Declaration • RPMU should take note of the budget cycle in Australia in parallel to the Ministerial Forum and signing of Ministerial Declaration. • Recommended to invite Strategic Partners early on in the process to explore projects that would align with the SAP starting from the bridging phase. 	<ul style="list-style-type: none"> • Agrees with the other countries for the continuity of current RPM, Dr. Handoko Adi Susanto, as Interim Regional Director to facilitate the smooth transition to the next phase • Suggested to change the position title to Executive Director 	<ul style="list-style-type: none"> • A staff to support the work on external financing applications would be needed to assist the Regional Director. • Instead of Finance and Resource Mobilization Specialist, the position should be reframed and called <i>Finance and Strategic Partnerships Specialist</i> since the work does not only involve getting grants from philanthropies. • Early participation of potential Strategic Partners should be initiated. Collaborative partnership arrangements may be pursued to help in financing the SAP implementation. 	<ul style="list-style-type: none"> • There is no problem in partnering with PEMSEA for the fund management, but there should be an agreement (e.g., MOU) to transfer funds from Australian government to PEMSEA for the bridge financing of the next phase of ATSEA.
Indonesia	<ul style="list-style-type: none"> • Confirmed the commitments to host the Regional Secretariat (and shoulder the office 	<ul style="list-style-type: none"> • Agreed to have Dr. Handoko Adi Susanto as the interim Regional Director during 	<ul style="list-style-type: none"> • Needs more information on the criteria for the Finance and Resource 	<ul style="list-style-type: none"> • Agreed for PEMSEA to support fund management during the

Country	Country commitments (co-financing)	Regional Director	Finance and Resource Mobilization Specialist	Fund management
	<p>costs), second two national staff positions (Administrative and Accounting officer, and executive assistant, and host two RGM (RCC and RSWG) meetings that will be held in Indonesia (shoulder the cost of venue and meals).</p> <ul style="list-style-type: none"> Will secure the funds for these commitments. 	<p>the bridging phase.</p>	<p>Mobilization Specialist. (RPMU will re-share the TOR.)</p> <ul style="list-style-type: none"> Two options were offered: (a) look for someone in MMAF; (b) hire someone, but this requires consultation within MMAF since this will involve hiring process, and additional cost. 	<p>bridging phase, but there should be RSC endorsement or legal agreement (subject to SDP approved process).</p>
Papua New Guinea	<ul style="list-style-type: none"> Affirmed the \$65,000 annual contribution, based on the option of 50% equal sharing and 50% based on GDP. The amount can be used by the Regional Secretariat for any item in the RGM costs and budget. The process for securing and transferring funds will be discussed with the Ministry of Foreign Affairs and NFA. Further details will be relayed to RPMU. 	<ul style="list-style-type: none"> Confirmed PNG's commitment to co-financing the Regional Director position. Agreed with having Dr. Handoko Adi Susanto as the interim Regional Director during the bridging phase. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> In view of the current work of PEMSEA in facilitating some ATSEA activities in PNG, agreed that PEMSEA can continue to support the fund management during the bridging phase.
Timor-Leste	<ul style="list-style-type: none"> Affirmed the \$50,000 annual contribution for 2025-2026. MALFF will include this in the budget discussion in 2024 for use in 2025. 	<ul style="list-style-type: none"> Confirmed Timor-Leste's commitment to co-financing the Regional Director position. Agreed to have Dr. Handoko Adi Susanto as the interim Regional Director during the bridging phase. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Considering the work of PEMSEA in supporting activities in Timor-Leste, agreed that PEMSEA can support the fund management during the bridging phase, subject to legal agreements.

All the four countries confirmed their commitments to support the bridging phase. Under the above scenario (Table II), it is possible to continue the operationalization of the RGM during the bridging phase and avoid delays towards the next phase. As a potential key partner of ATSEA, PEMSEA offered to contribute \$20,000 in the first year, handle the fund management (while the ATS Regional Fund is being established) as well as host the ATSEA knowledge portal during the bridging phase. The four countries agreed to this arrangement, but subject to certain legal requirements of the four countries.

The country commitments from Indonesia, Papua New Guinea, and Timor-Leste and PEMSEA's potential contribution (\$20,000) will be able to cover the cost of the Regional Director, two national staff (Administration and Accounting officer, and an executive assistant), Regional Secretariat office costs, and the RGM meetings. However, the funds would not be able to cover the cost of the Financing and Resource Mobilization Specialist. In this case, the Regional Director may have to do the resource mobilization activities during the bridging phase (as recommended during the Intersessional RSC Meeting). Australia suggested getting a staff to support the Regional Director on the external financing applications and developing strategic or collaborative partnerships arrangements with other programmes (e.g., CTI-CFF), and development aid agencies. Indonesia will explore finding someone from MMAF to second this position or hiring someone, but this will entail looking into the process and ways to cover the additional cost.

The 5th Regional Steering Committee (RSC) Meeting (held on 21-22 November 2023 in Jakarta, Indonesia) endorsed the RGM Financing and Investment Strategy, including the commitments for the bridge financing, and arrangements for fund management, and the Strategic Action Programme (SAP) 2024-2033, and agreed with the proposed next steps on mainstreaming the funding allocation to support the operationalization of the RGM and SAP implementation. It was also agreed to change the title of the Regional Director to *Executive Director, Finance and Resource Mobilization Specialist* or *Finance and Partnerships Manager*, and the Technical Officer to *Senior Programme Lead*. The next steps involve the following:

- RPMU will organize the **National Workshops on Mainstreaming** to discuss the government process and requirements to secure and mainstream the funding allocation to support the RGM, especially during the bridging phase. (**January 2024**)
- The consultant will prepare the Mainstreaming Report on the results of the national workshops, and recommendations (**31 January 2024**)
- The RPMU will share the draft report to the countries and get their feedback by **15 February 2024**.
- The consultant will finalize the Mainstreaming Report, addressing the comments and incorporating the inputs from the countries (**29 February 2024**)
- The countries will implement the agreed recommendations and finalize the fund allocation arrangements (**March to June 2024**)
- Conduct of the **Ministerial Forum** for the adoption of the RGM, updated SAP, and financial plans (**August 2024**)
- Operationalization of the RGM, and turnover to the Regional Secretariat and National Secretariats (**September to December 2024**)

Acronyms and Abbreviations

ACP MEA	Multilateral Environmental Agreements in African, Caribbean and Pacific Countries
ADB	Asian Development Bank
ALESCO	Arab League Educational, Cultural and Scientific Organization
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATS	Arafura-Timor Seas
BCC	Benguela Current Commission
BOBLME	Bay of Bengal Large Marine Ecosystem
BMU-GIZ	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) – Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
CLME	Caribbean and North Brazil Shelf LME
COBSEA	Coordinating Body on the Seas of East Asia
COM	Council of Ministers
CSA	Cost-sharing Agreements
CTI-CFF	Coral Triangle Initiative for Coral Reefs, Fisheries, and Food Security
CTI-COM	Coral Triangle Initiative Council of Ministers
CTI-CSO	Coral Triangle Initiative Committee of Senior Officials
CTF	Caribbean Trust Fund
EAFM	Ecosystem Approach to Fisheries Management
EAS	East Asian Seas
EAS/RCU	Regional Coordinating Unit of the East Asian Seas Action Plan
FAO	Food and Agricultural Organization of the United Nations
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICM	Integrated coastal management

ICZM	Integrated Coastal Zone Management
IDB	InterAmerican Development Bank
IGM	Intergovernmental Meetings
IMO	International Maritime Organization
IOC-UNESCO	The Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization (UNESCO)
JBIC	Japan Bank for International Cooperation
KfW	Kreditanstalt für Wiederaufbau
LBS	Protocol Concerning Pollution from Land-Based Sources (LBS Protocol)
LME	Large marine ecosystem
MAP	Mediterranean Action Plan
MEAs	Multilateral Environmental Agreements
MMAF	Ministry of Marine Affairs and Fisheries
MOU	Memorandum of Understanding
NAP	National Action Programme
NCC	National Coordinating Committee
NFP	National Focal Point
NGO	Non-government Organizations
NOAA	National Oceanic and Atmospheric Administration (United States of America)
NOWPAP	Northwest Pacific Action Plan
NSWG	National Stakeholder Working Group
NTWG	National Technical Working Group
PEMSEA	Partnerships in Environmental Management for the Seas of East Asia
PERSGA	Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden
PRF	PEMSEA Resource Facility
RAC	Regional Activity Centre
RAN	Regional Activity Networks
RCC	Regional Coordinating Committee

RCU	Regional Coordinating Unit
RETA	Regional Technical Assistance
RFMO	Regional Fisheries Management Organizations
ROPME	Regional Organization for Protection of the Marine Environment
RPMU	Regional Programme Management Unit
RS	Regional Secretariat
RSC	Regional Steering Committee
RSGA	The Red Sea and Gulf of Aden
RSP	Regional Seas Programme
RSCAP	Regional Seas Conventions and Action Plan
RSWG	Regional Stakeholder Working Group
SAP	Strategic Action Programme
SDR	Special Drawing Rights
SDS-SEA	Sustainable Development Strategy for the Seas of East Asia
SEAFDEC	Southeast Asia Fisheries Development Center
SIDA	Swedish International Development Cooperation Agency
SPAW	Specially Protected Areas and Wildlife
SSME	Sulu-Sulawesi Marine Ecoregion
TDA-SAP	Transboundary Diagnostic Analysis-Strategic Action Programme
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WB	World Bank
WCPFC	Western and Central Pacific Fisheries Commission

1.1 Benefits and services from the Arafura-Timor Seas

The Arafura-Timor Seas (ATS) encompass waters of four countries: Indonesia, Timor-Leste, Australia, and Papua New Guinea. In Indonesia, the ATS area includes three provinces (Nusa Tenggara Timur, Maluku and Papua) comprising 13 districts (*kabupaten*) and two municipalities. On the Timor-Leste side, there are 6 coastal districts on its south side (ATS area). For Australia, there is one territory and two state governments (Northern Territory, Western Australia, and Queensland but excluding the Torres Strait region) and one offshore territory (Ashmore and Cartier Islands) involved. In Papua New Guinea, there is one district, i.e., the South Fly district of Western Province, which borders the Arafura Sea.

The warm tropical Arafura-Timor Seas are crucial globally as they link the Indian and Pacific Oceans and play an important role in global ocean circulation and the ocean-climate nexus. The world's climate is greatly influenced by the El Nino-Southern Oscillation (ENSO) phenomenon and the Indian Pacific Warm Pool (de Dekker 1997; Meyers 1996; Cai *et al.* 2005; Zhong *et al.* 2005; Kug *et al.* 2006) that exists in these seas.¹

The ATS region hosts some of the world's richest marine biodiversity and plays an important economic and ecological role for Australia, Indonesia, Papua New Guinea, and Timor-Leste. The region is adjacent to the Coral Triangle, which hosts the world's highest marine biodiversity and contains some of the most pristine and highly threatened coastal and marine ecosystem. Mangroves, freshwater and estuarine wetlands, and seagrass beds are a major feature of the sheltered, semi-enclosed waters of the ATS region. In this region, the habitats for various species are essential for supporting migratory, threatened, rare, and endangered marine species. Nesting colonies of shorebirds and seabirds, cetaceans, dugongs, sharks and rays, turtles, and sea snakes are some of the marine species dependent on the habitats in the ATS region. Endangered species of marine turtles, such as the green turtle, hawksbill turtle, and leatherback turtle, are also found in the ATS region.

An ATSEA-2 study shows that the estimated value from all ecosystem services in the ATS region ranges from **USD7,368,484,444.84** to **USD7,376,959,861.52 per year**². The valuation of ecosystem services in this report presents results mainly from fisheries, aquaculture, tourism, wood/timber, and carbon sequestration (blue carbon), cultural services, and biodiversity. It was found that the highest contribution to economic value is derived from cultural services, in particular tourism. The second highest value was obtained from the provisioning services category, including fisheries, wood, and aquaculture. Blue carbon also has a considerable value.

¹ Alongi, D.M. (ed.), *et al.* 2011.

² Choesin, *et al.* 2021.

Coastal and marine ecosystems receive direct pressure from habitat loss and degradation, overexploitation, pollution (from nutrients, solid waste, plastics, oil spills, sediments), climate change, and the introduction of invasive alien species. These threaten the ecosystem structure, functioning and integrity. The magnitude of these changes may also depend on the indirect drivers, which include institutions and governance, conflicts, demographic pressure, socio-cultural context, economy, technological development, and epidemics.³

The modification, degradation, and loss of coastal and marine habitats have become a priority environmental concern in the ATS region. Unsustainable practices, such as dynamite fishing, bottom trawling, pollution, fuelwood production, coastal sand mining, and unregulated coastal development, have caused the decline and loss of soft bottom habitats, mangroves, coral reefs, and seagrass beds. This situation calls for concerted response and action from the four ATS countries as well as support from other countries, institutions, organizations since the ATS region provides global benefits and services. The Strategic Action Programme (SAP) aims to sustain the flow of goods and services from the ecosystems of the ATS, protect biodiversity and fisheries, mitigate pollution from land- and sea-based sources, and support coastal livelihoods, food security, gender equality, and climate resiliency through a transboundary and inclusive governance strategy and sustainable management of coastal and marine ecosystems.

The benefits of ocean and environmental governance include: (a) enhanced protection of habitats and biodiversity (ensuring the flow of ecosystem services); (b) economic rents from fishing when overfishing is reduced; (c) avoided illegal, unreported, and unregulated fishing (IUUF) and corresponding losses; (d) avoided damage from marine accidents, such as oil spills; (e) avoided damage from marine debris and plastic waste; (f) potential revenues, income and livelihood opportunities from blue economy (sustainable fisheries, tourism, etc.); and (g) other efficiency gains.

1.2 Regional governance mechanism (RGM)

1.2.1 Benefits of RGM

Article 123 of the United Nations Convention on the Law of the Sea (UNCLOS) places a responsibility and an obligation on countries bordering enclosed and semi-enclosed seas to cooperate in resource management, protection of the marine environment, and marine scientific research. Since 2003, representatives from governmental and non-governmental stakeholders working on sustainable marine development issues in the four littoral countries (Australia, Indonesia, Papua New Guinea, and Timor-Leste) have come together to promote integrated and ecosystem-based management of the ATS. The collaboration has progressed through project-based initiatives under two GEF-supported and UNDP-implemented Arafura and Timor Seas Ecosystem Action (ATSEA) projects.

There is a need to set up a long-term mechanism to ensure the sustainable, inclusive, and resilient development of the coastal and marine resources in the region. In line with the 2014 Ministerial

³ Campagne, *et al.* 2021.

Declaration, a Regional Governance Mechanism (RGM) has been designed based on stakeholder inputs. Both the TDA and SAP were also updated to identify priority actions in the next ten years.

The RGM for the Arafura-Timor Seas consists of the regional bodies – Council of Ministers (COM), Regional Coordinating Committee (RCC), Regional Secretariat, and Regional Stakeholder Working Group (RSWG), and the national bodies – National Coordinating Committee (NCC), National Secretariat, and National Stakeholder Working Groups (NSWGs).

One benefit of having a regional governance mechanism in place is the coordinated restoration of degraded habitats, and application of sustainable practices to deter and end IUU fishing, reduce pollution from land- and sea-based sources, adapt to climate change, and thereby, conserve key coastal and marine ecosystems. The RGM can also advocate for the adoption and implementation of sound environmental policies and plans (i.e., SAP and National Action Plans or NAPs) to reduce marine plastic pollution and oil spills, reduce illegal, unreported, and unregulated (IUU) fishing, mitigate habitat loss, establish marine protected areas (MPAs), and protect rare, threatened, and endangered species. Such actions can contribute to ensuring that the ecosystem services in the ATS region will continue to benefit the future generations. Without national and regional governance mechanisms, coastal and marine resources are in effect under an open access system, which could lead to the collapse of fisheries and loss of ecosystems in the region.

1.2.2 RGM options

Option 1 includes the RSWG. There are also two scenarios considered under this option: **Option 1a** wherein the NSWGs will be *ad hoc* or formed as needed; and **Option 1b** wherein the NSWGs will be established more formally. In **Option 2**, there will be no RSWG, but the RCC may be expanded. Each country has the discretion in forming their respective NSWGs, National Secretariats, and National Coordinating Committees (NCCs) considering their needs, priorities, and available resources (human and financial).

The structure and members of the NSWGs and RSWG will be based on the priority transboundary issues and SAP components and objectives: (1) marine debris, in particular, plastics from land-based sources and abandoned, lost, and discarded fishing gear; (2) oil spills; (3) small-scale IUU fishing; (4) endangered, threatened, and protected species and their critical habitats; and (5) cross-cutting issues like ocean governance, climate change, and gender equality and social inclusion (GESI). In addition, their members are expected to contribute to identifying funding sources and opportunities for collaborations and partnerships for the SAP implementation.

1.2.3 Preliminary cost-benefit analysis

The preliminary cost-benefit analysis (CBA) report focused on the RGM costs and benefits, in particular comparing the net benefits of the options for the organizational structure of the RGM (i.e., Option 1a, Option 1b, and Option 2).

A cost analysis of the governance options is essential when one is considering value for money. The *direct* costs include expenses directly related to the delivery of the governance services, such as labor costs, equipment costs, etc. The Regional Secretariat and RCC are crucial for coordinating the implementation of the ATS SAP, providing technical advice and guidance, mobilizing resources, developing strategic collaborative partnership arrangements, ensuring efficient and transparent fund management, and monitoring and evaluation (M&E) of SAP activities, project outputs, and SAP outcomes. The *indirect* costs include fixed expenses to maintain operations, and other costs that contribute to the overhead of conducting the service, e.g., utilities, office supplies, etc.

The key factors affecting the costs are the following:

1. **Organizational structure of the Regional Secretariat**
 - a. Staffing requirements
 - b. Positions and corresponding salary scale
2. **Composition of the RCC, RSWG, NCCs, NSWGs**
 - a. Number of members
 - b. Number of members from scientific community or academe, civil society groups, private sector, other stakeholders who will join the RSWG and NSWGs
 - c. If honoraria will be given, there is a need to agree on who will be given (only the scientists/regional experts?), and how much would the honorarium be.
 - d. For the more contentious transboundary issue, there could be more members for the corresponding NSWG, and more meetings, activities, and reports involved. (Additional NSWG and RSWG meetings and workshops can be virtual or hybrid, depending on funding availability.)
3. **Governance meetings**
 - a. The costs of venue, meals, airfare, DSA, and accommodation depend on:
 - i. Meeting location
 - ii. Number of participants from the RCC, RSWG, NCCs, NSWGs
 - b. Contingency
 - i. Inflation
 - ii. Additional participants attending the meetings and workshops.

Considering that the RGM and Regional Secretariat's organizational structure and Terms of Reference have not been developed yet when the work on the CBA and drafting of the RGM Financing and Investment Strategy started, assumptions were made on the staffing requirements and salaries of the Regional Secretariat and composition of the other RGM bodies. The actual expenditures of holding regional meetings in Indonesia, Papua New Guinea, and Timor-Leste were used in estimating the cost of the RGM meetings.

On the benefits side, it was assumed that there will be a RGM in place that will coordinate and monitor the implementation of national policies and plans and regional agreements and plans. The benefits estimated in the preliminary CBA are the reduction in the cost of marine debris to the coastal and marine economy per year and the reduction in losses from IUU fishing. The major caveats to estimating the RGM benefits involve attributing some benefits to the RGM *ex ante*, as this would assume that the

RGM will be efficient and cost-effective, and excluding some benefits due to limited data, and non-quantification or monetization of qualitative outcomes.

For Option 1, in which there will be a RSWG, it is assumed that there will be better coordination at the regional level, and this will result in at least a ten percent reduction in the cost of marine debris to the coastal and marine economy per year as well as a ten percent reduction in losses due to IUU fishing in the ATS region.

For Option 2, where there will be no RSWG, but only an expanded RCC, it is assumed that this could result in some gaps in regional coordination and technical and expert advice, and this will result in only a five percent reduction in the cost of marine debris and losses due to IUU fishing.

The benefits of having the RGM, including the national bodies, outweigh the costs for all options. However, **Option 1-b** generates the highest net benefits (NPV) and benefit-cost ratio (BCR).

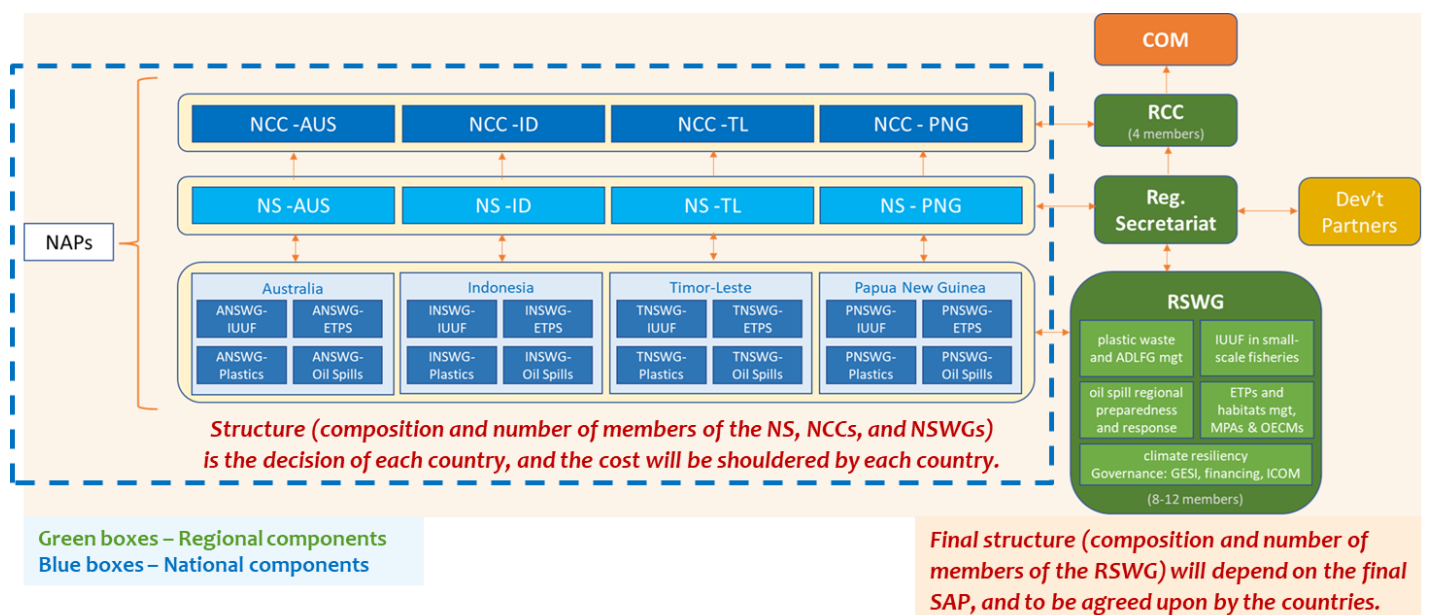


Figure 1. ATS Regional Governance Mechanism

The major limitation of CBA is that it is almost impossible to accurately estimate the magnitude of some costs or benefits. The benefits are underestimated since not all potential benefits from having an RGM in place have not been quantified, and the percentage reduction in economic losses due to marine debris and IUU fishing can be higher. However, the benefits could also be considered overestimated as there could be other factors that could cause positive returns, aside from the governance mechanism. On the other hand, the costs are underestimated in the preliminary CBA since the direct and indirect costs associated with the implementation of the SAP – which will address the transboundary issues and generate the major benefits identified in this report – were not initially included.

It is important to note that the results shown in the preliminary CBA report only aim to point out the RGM option that could be initially fit for purpose and has higher net benefits. The updated SAP has implications on the structure and functions of the RGM and impact on the costs and benefits. Thus, the CBA was conducted again after the SAP has been updated and the financing plan for the SAP has been prepared.⁴ The financing strategy for the RGM was likewise reviewed and updated. The results of the country and regional consultations on the RGM financing, especially during the bridging phase, are discussed in the last chapter of this report.

⁴ The updated CBA is discussed in the *Financial Plan for the Strategic Action Programme (SAP)*, with the cost of the RGM as the cost of the governance component of the SAP.

2. Prerequisites for an effective financing strategy

2.1 Definition

A financing strategy **establishes the fundamental steps of how an organization can achieve its financing targets**, be it short-term or long-term. It involves a strategic plan for how the organization and/or programme can finance its overall operations and planned activities. It is concerned with the procurement, judicious utilization, and management of funds to ensure adequate and regular supply of funds to fulfil the present and future requirements of the organization and/or programme. A financing strategy assists in setting clear-cut goals and working towards becoming a financially secure organization, considering the current financial status, and availability of various funding sources.

2.2 Rationale

Today, most organizations need a financing strategy that includes a number of strategic options for financing, rather than just funding from donors and partners, and becoming financially secure and sustainable.

The RGM needs a financing strategy to ensure organizational and financial sustainability.

Organizational sustainability. This means that the RGM has a vision (ATSEA vision) and a financial and organizational infrastructure to support the achievement of this vision and implementation of the Strategic Action Programme (SAP), and is able to continue to do its work over the long term.

Financial sustainability. Financial sustainability is part of organizational sustainability. It has to do with the ongoing ability of the RGM to generate enough resources to work towards achieving the ATSEA vision and goals of the SAP. To be financially sustainable, the RGM must:

- be able to get country commitments on regular contributions
- have more than one source of income or funds
- have more than one way of generating income
- do strategic, action and financial planning and monitoring and evaluation (M&E) regularly
- have adequate financial systems and clear financial policies and fund management
- have a good public image

2.3 Objectives of a financing strategy

The financing strategy document serves both an internal and an external purpose.

Internally:

- It helps to consolidate the RGM, SAP, and financing, and to show how these different aspects of the ATSEA programme complement one another.

- It provides a reference point for people in the RGM (Regional Secretariat, RCC, COM).
- It provides a guideline for implementation.
- It provides a basis for monitoring and evaluating the effectiveness of the strategy.

Externally:

- It shows to the countries, donors, partners, and stakeholders what ATS RGM is aiming to achieve through its financing strategy.
- It gives them a basis for seeing where they fit in the RGM financing strategy.
- It provides a “bottom line” against which they can assess the RGM progress towards sustainability.
- It provides them with a yardstick against which to measure the RGM approach to financing its work and the SAP implementation, and the seriousness with which the RGM takes the need for developing a degree of self-reliance and developing partnerships and strategies to raise funds and generate income.

2.4 Essential elements for an effective financing strategy

An effective financing strategy requires some preliminary work. Ideally, in developing the strategy and before implementing it, the following should be in place and agreed upon by the participating countries in the ATSEA programme:

- an organizational strategy and plan for the RGM, especially in relation to SAP implementation
- financing process, including cost estimation, RGM budget preparation and approval, and regional fund (e.g., ATS Trust Fund) management
- financial systems and policies
- value clarity – a clear understanding of the values of the ATSEA programme and RGM – values, which cannot be compromised by the financing strategy
- marketing, communication, public visibility, and resource mobilization strategy

2.4.1 Planning

The RPMU is preparing the organizational strategy for the RGM, including the (a) organizational structure, (b) Terms of Reference for each component, (c) Transition Plan from the project-based arrangements to the long-term programme-based RGM; and (d) governance objectives and priority actions in the updated ATS SAP. As a programme-based RGM, the process towards the establishment of an inter-governmental organization (IGO) should be well-defined, including the timeline, and how this IGO can accept country contributions and external financing, and allocate and disburse such funds.

Key aspects of an organizational strategy and plan that must be in place before developing the financing strategy

- There should be a clear organizational vision and mission, and a strategy and action plan for achieving them. The financing strategy must support this organizational strategy. There is a need to know what the plan is and how many staff members and other resources are required

before working out how much money will be needed and how to access the necessary finances.

- There should be an assessment of the general strengths and weaknesses of the RGM (and future IGO), as well as specific financial strengths and weaknesses. It may be helpful to do a SWOT Analysis.
- Identify the priorities of the RGM: What are the most important plans and activities of the RGM as well as the SAP that must be financed? Once these priorities have been determined, then the next thing to do is budgeting.

The following factors can guide the RGM when making priorities:

- What are the things that must be done if the RGM and ATS programme are to make any progress at all?
- What can be done relatively quickly and cost efficiently, but still make a significant impact?
- What must be done before other things that are also considered important?

2.4.2 Financing process

Financing is the process of accessing the funds, **funding** planned activities, making investments, purchases, or payments, and managing the funds. **Figure 2** shows the key steps on financing the RGM and SAP implementation.

Key steps

1 – Assess the financial needs.

Estimate the costs of Regional Secretariat (RS), RGM meetings (RCC, COM, and RSWG), and SAP implementation. **Tables 1 to 3** show the cost of the regional components of the RGM, i.e., Regional Secretariat and RGM meetings.

Prepare medium-term action and financing plan. Include other possible costs that may be incurred by the RS (e.g., meetings and consultations with donors and development partners, coordination and collaboration with other programmes/projects, site visits, public awareness and communication campaign, etc.).

In line with the plan, RS will **prepare annual budget** (for the RGM and SAP) for COM and RCC approval.⁵

⁵ The Initial Cost Estimation and Cost-Benefit Analysis report included the costs of the national components (National Secretariat, NCC and NSWG meetings), but countries preferred to separate the national costs from the total cost as the structure of the national components will be at the discretion of each country and corresponding costs will also be shouldered by each country. However, each country should estimate the cost of their national components and include these items in their respective country budget to get funding for their operationalization.

- 2 – Approved budget for RGM and SAP will be financed by **agreed and assessed country contributions, and funding sources secured from donors and partners**, such as funding from GEF, multilateral development banks (e.g., The World Bank, Asian Development Bank (ADB), KfW Development Bank, EIB, JBIC, etc.), aid agencies (e.g., USAID, EU, GIZ, AFD, KOICA, et and through collaborative partnership arrangements.
- 3 – All funds will be deposited into the **ATS Regional Fund**, to be allocated and disbursed to: (a) **revolving fund** to finance RS, RCC, COM, and RSWG, (b) **project fund** to finance SAP implementation, and (c) **reserve fund** to finance projects without funding, projects on cross-cutting issues (e.g., climate change, gender equality and social inclusion, etc.), or future projects, and for contingency. Agreements among the countries on fund management, including allowed uses, disbursements, access and security, auditing, etc. would be essential and required. In case there will be delays in setting up the ATS Regional Fund, partners like PEMSEA or UNDP may accept the funds and keep them in ‘trust’ and manage them on behalf of the ATSEA programme, with the agreements and necessary documents signed by all parties involved. Setting up an *ATS Regional Trust Fund* (as a long-term mechanism) in the future may also be explored, but the legal requirements, agreements, and procedures should be reviewed by the Regional Secretariat in consultation with the countries and their legal and financial experts.
- 4 – **Other financing mechanisms and sources** will also be mobilized and added to the ATS Regional Fund; and earmarked for special/future SAP projects (e.g., on cross-cutting issues), not covered by the guaranteed or secured SAP financing.
- 5 – **Monitoring and evaluation, financial reporting, and auditing**
(See Section 4 – Making the financing strategy work.)

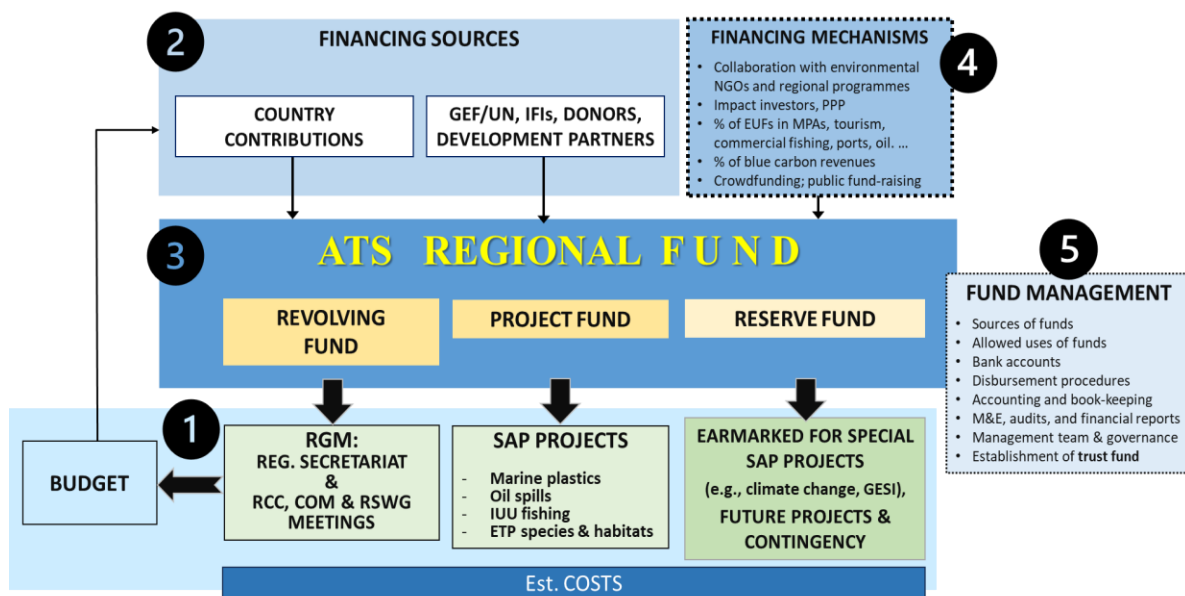


Figure 2. Process for Financing RGM and SAP

Table 1. Cost of the Regional Secretariat

	#	Unit cost	REGIONAL	Remarks
A. REGIONAL SECRETARIAT				
1. Core officers and administration staff	8		420,259	
1.1 International staff				Ref.: UN salary scale 2022 (int'l staff)
Regional Director	1		137,376	D1 - Level II
Program Officer and M&E Specialist	1		61,993	P2 - Level II
Technical Officer (marine & coastal mgt)	1		61,993	P2 - Level II
Resource mobilization and finance specialist	1		61,993	P2 - Level II
1.2 Locally-hired/National staff				Ref.: Assuming Indonesia is host country: UN salary scale for Indonesia; USD1 = IDR15045
Knowledge management and capacity development specialist	1		39,115	NO-A, step II
Administration & Finance Officer	1		39,115	NO-A, step II
Executive Assistant	1		13,137	GS-4, step I
Driver	1		5,537	GS-1, step I
2. Secretariat office and admin costs			37,701	
office furniture (desks, ergonomic computer chairs, cabinets, conference table and chairs, etc.)		5000	5000	one-time/first year only
laptops	7	1500	10500	one-time/first year only
printers	1	200	200	one-time/first year only
photocopier	1	600	600	one-time/first year only (based on cost of printer/photocopier of RPMU)
utilities: electricity		360	4320	\$360/mo * 12 months
utilities: water		30	360	\$30/mo * 12 months
building/office maintenance		500	6000	\$500/mo * 12 months
security services		3300	3300	
janitorial services		257	3084	\$257/mo (RPMU Bali)
office supplies (paper, pens, notepads, printer ink, stapler & staple wires, etc.), drinking water		200	2400	\$131/mo for RPMU (Bali)
software subscription (Microsoft Office, anti-virus, etc.)	7	70	490	
phone and internet subscription		92.5	1110	\$92.5/mo * 12 months (RPMU Bali)
dropbox subscription	1	200	200	
zoom/Webex subscription	1	137	137	
3. Audit costs			18,000	
External		6500	6500	based on PEMSEA's cost
Internal		11500	11500	based on PEMSEA's cost
4. Reports and KPs*				*printing of reports and KPs - part of SAP implementation cost * Secretariat reports, Proceedings of RCC, RSWG, NCC, NSWG meetings and workshops: e-copies
			475,960	

Table 2. Cost of the RCC and COM meetings

	#	Unit cost	REGIONAL	NATIONAL				Remarks	
				Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
					Indonesia	Papua New Guinea	Timor-Leste		Australia
1. RCC : once a year rotating per country (in person/virtual/hybrid)			8,200	3,250	8,690	8,890	8,290	8,890	
<i>In case of in-person meeting:</i>									Cost of venue, equipment, meals, and supplies will be shouldered by host country. There will be no airfare, DSA and accommodation octs for participants from host country.
Hotel/meeting venue (2 days)		\$1000/day		2000					Includes projector, sound and microphone system, internet access (cost of venue based on actual expenses in Bali, PNG, and TL)
Meals - lunch and morning and afternoon snacks (2 days)	10	\$40/pax/day		800					4 RCC members (1 per country) + 4 NS staff (1 per country) + 2 RS staff (cost of meals based on actual expenses in Bali, PNG, and TL)
Welcome dinner	10	\$25/pax		250					4 RCC members + 4 NS staff + 2 RS staff
Meeting costs (supplies, logistics, etc.)				200					\$200 for supplies
Airfare		\$3,500							
RS core officers	2		7000						RS Executive Director & Program Officer
NFPs/NCC heads	4			\$3,500	\$3,500	\$3,500	\$3,500		
National Secretariat	4			\$3,500	\$3,500	\$3,500	\$3,500		
Accommodation and DSA (3 nights)									UN DSA Circular: \$215/day for ID and TL; \$315/day for AUS and PNG
RS core staff	2		1200						RS Executive Director & Program Officer
NFPs/NCC heads	4			645	945	645	945		
National Secretariat	4			645	945	645	945		
Contributor's fee and travel allowance for Indonesian representatives	2	\$100/pax/day		400					for gov't representatives from Indonesia
2. COM: every two years, rotating per country (in person/virtual/hybrid)			-	560	4,030	4,130	3,930	4,130	
<i>In case of in-person meeting, back-to-back with RCC:</i>									Cost of venue, equipment, meals, and supplies will be shouldered by host country. There will be no airfare, DSA and accommodation octs for participants from host country.
Meals - lunch and morning and afternoon snacks (1 day)	14	\$40/pax/day		560					4 Ministers (1 per country), 4 RCC members (1 per country) + 4 NS staff (1 per country) + 2 RS staff (cost of meals based on actual expenses in Bali, PNG, and TL)
Airfare		\$3,500							
Minister	4			3500	3500	3500	3500		
Accommodation and DSA (1 night)									UN DSA Circular: \$215/day for ID and TL; \$315/day for AUS and PNG
Minister	4			430	630	430	630		
Contributor's fee and travel allowance for Indonesian representatives		\$100/pax/day		100					for gov't representatives from Indonesia (for the Minister)

Table 3. Cost of the RSWG Meeting

	#	Unit cost	REGIONAL	NATIONAL					Remarks	
				Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)					
					Indonesia	Papua New Guinea	Timor-Leste	Australia		
3. RSWG: at least one meeting once a year - back to back with RCC (in person/virtual/hybrid)			18,400	1,680	3,915	3,815	3,715	3,815		
<i>In case of in-person meeting:</i>										
Hotel/meeting venue (1 day)		\$1000/day		1000						Includes projector, sound and microphone system, internet access (cost of venue based on actual expenses in Bali, PNG, and TL) max of 12 members: 4 gov't or country-nominated reps, 4 regional experts, 4 reps from NGOs, communities, private sector (cost of meals based on actual expenses in Bali, PNG, and TL)
Meals - lunch and morning and afternoon snacks (1 day)	12	\$40/pax/day		480						
Airfare of RSWG members		3500								
Gov't representatives or country-nominated members	4				3500	3500	3500	3500		
Regional experts	4		14000							academe/scientists/experts on the key SAP issues, governance, etc. could be self-funded
Other stakeholders										
Accommodation and DSA of RSWG members		600								UN DSA Circular: \$215/day for ID and TL; \$315/day for AUS and PNG
Gov't representatives or country-nominated members	4				215	315	215	315		
Regional experts	4		2400							academe/scientists/experts on the key SAP issues, governance, etc. could be self-funded
Other stakeholders										
Meeting costs (supplies, logistics, etc.)				200						\$200 for supplies; \$50/pax for dinner
Contributor's fee and travel allowance for Indonesian reps/members	2	\$100/pax/day			200					for representatives from Indonesia
Honorarium (meetings, expert advice, review of project implementation, outputs, reports/KPs)	4	500	2,000							Honorarium for regional experts & non-govt members (scientists/academe) per year: \$500/pax/yr (based on ACB)

2.4.3 The ATS Regional Fund

Central to this process is the Regional Fund to manage country contributions and funding from donors, such as GEF, international financing institutions, and other development partners.

There are financing rules and best practices from other regional mechanisms that can be adopted in the ATS region. The financing and institutional arrangements, including trust funds to support the secretariat and SAP implementation, in these regional mechanisms or regional seas programmes are discussed in **Annex 1**. Among the key factors contributing to the success of certain environmental funds include strong leadership, effective governance, innovative funding strategies, and strategic partnerships.

An **ATS Trust Fund** may be established as a long-term mechanism similar to what other regional seas programs have done. The advantages, disadvantages, benefits, costs, and risks of a regional trust fund have to be carefully examined. The rules and processes may be guided using the UN rules on trust funds for regional seas programmes. In setting up the ATS Trust Fund, it is essential that all requirements, documents, and agreements are in order, including designating the grantor(s), the trustees, and the beneficiaries, and defining the rules, funding sources, and how the trust assets or funds are to be managed, used/allocated, distributed, transferred, monitored, reported, and audited.

a. Setting up the ATS Regional Fund

- **Determining the purpose.** The ATS Regional Fund is a financial mechanism designed to support the RGM and SAP projects and initiatives that contribute to environmental conservation and sustainable development of the ATS. Its primary purpose is to manage the country contributions, grants, donations, and other financial resources and allocate them to fund the RGM operations and priority SAP projects. The Regional Secretariat can make separate bank accounts for each type of fund (e.g., Revolving Fund for the Regional Secretariat and RGM

operations, and Project Fund for the SAP implementation). In the long term, as a programme-based regional mechanism and intergovernmental organization, the ATS should have its own regional fund.

- **Establishing a legal structure.** An appropriate legal structure may be needed, depending on the local context and requirements in the country where the fund will be based, and agreements made by the participating countries and their key partners.
- **Building a Management Team.** The Regional Secretariat should also be a competent management team that would oversee the ATS Regional Fund's operations, including staff with expertise in finance, project management, and environmental issues (i.e., Finance and Resource Mobilization Specialist, Administrative and Accounting Officer, and the Regional Coordinator/Director,).
- **Creating a governance structure.** A clear governance structure should be established to ensure timely country contributions, mobilization of financing resources, judicious disbursements, transparency, accountability, and effective fund management and decision-making. The Regional Secretariat should determine what sort of governance structure and rules need to be in place to manage the ATS Regional Fund in an accountable and responsible way. For an ATS Trust Fund, this may include a board of directors (from each country), RCC as advisory committee, and stakeholder consultations (RSWG).
- **Establishing key performance indicators.** The fund should establish key performance indicators (KPIs) to measure its impact and success. These KPIs should be based on the fund's objectives, priorities, and expected outcomes, and related to the implementation of the SAP and support for the RGM.
- **Ensuring transparency and accountability.** The ATS Regional Fund should establish policies and procedures to promote transparency, accountability, and ethical conduct.
- **Developing monitoring and evaluation system.** A monitoring and evaluation (M&E) system should be created to track the ATS Regional Fund's performance, progress toward achieving its KPIs, identify areas for improvement, and adjust its strategies as needed. Moreover, the RS should actively assess the outcomes and impact of the RGM and SAP projects. This may involve the use of the KPIs, progress reports, conducting internal evaluations and site visits, when possible, and soliciting feedback from stakeholders, to assess the impact and effectiveness of regional coordination efforts and the SAP projects that were funded through the ATS Regional Fund. It may also entail refining its project selection and support processes.

b. Financial management and sustainability of the ATS Regional Fund

- **Budgeting and financial planning.** The ATS Regional Fund should develop a comprehensive budget and financial plan, which outlines its expenditures, anticipated income and revenues

from various funding sources, and investment strategies. This plan should be reviewed and updated regularly to ensure the Regional Fund's financial sustainability.

- **Financing and investment strategies and policies.** The ATS Regional Fund should establish financing and investment strategies and policies that align with the ATS vision, the fund's mission and objectives, and risk tolerance. These may include identifying allowed contributions, donations, partnerships, and investments, adopting responsible investment practices, diversifying its portfolio and funding sources, and seeking long-term returns.
- **Risk assessment and management.** A risk assessment and management framework should be developed to identify, assess, and mitigate financial and operational risks. This may involve implementing internal controls, conducting regular audits, and maintaining a contingency reserve fund.
- **Financial reporting and auditing.** The ATS Regional Fund should maintain accurate financial records and prepare regular financial statements to ensure transparency and accountability. This would involve publishing annual financial reports (can be done through posting online on the ATS website), disclosing financial information to the RCC, COM and other key decisionmakers of the ATSEA programme, and adhering to relevant laws and regulations. It is also critical that these reports be subjected to independent audits to verify their accuracy and compliance with applicable regulations.
- **Promoting collaboration and knowledge-sharing.** The ATS Regional Fund should promote collaboration and knowledge-sharing among grantees, donors, development partners, and stakeholders. This may involve organizing workshops or online platforms to discuss key issues, fund performance, and potential funding sources and partnerships, and share best practices, lessons learned, and other relevant information. The RGM should report its results and impact to stakeholders, including donors, grantees, partners, and the public. This may involve publishing and disseminating annual reports, sharing success stories, and providing updates on supported projects. This is one way to attract other funding sources and partners to support the RGM and SAP implementation over the long term.

2.4.4 Financial system and policies

a. Financial system

A financial system consists of (a) **book-keeping system** to record and monitor income and expenditure, and (b) an **early warning system** to indicate whether or not the financing strategy is working and show which parts of the strategy are working and which parts are not.

In record-keeping, each financing option should be treated as a separate cost center. Within the cost centers, the following information should be collected:

- Fixed or overhead costs

- Direct costs
- Share of overhead costs to each option from administration, finance and data processing.
- Income generated.

b. Policies and rules

Financial policies and rules guide an organization so that it can run an efficient, honest, and accountable finance system. The RCC and Regional Secretariat should decide on what policies and rules are needed and appropriate for the ATS region. These should be put in place to guide the Regional Secretariat in implementing the financing strategy, and should at least include the following:

- establishing and managing the ATS Regional Fund
- opening and operating bank accounts
- budgeting
- petty cash
- receipts and deposits
- payments and check requisitions
- acquisition and disposal of fixed assets
- use of private vehicles
- vehicle hires
- travel arrangements, expenses, and allowances for RGM meetings
- non-budgeted expenditure
- tax payments
- record-keeping
- monitoring and evaluation
- financial report
- audit

2.4.5 Financial sustainability

Some useful indicators against which to measure the financial sustainability situation are:

- **Total number of donors and partners and the amount of funding they provide.** It is important to have a reasonable number and spread, but not so many that the RS spends all its time reporting. Moreover, they should be able to cover the cost of implementing priority projects and actions identified in the SAP. The Regional Secretariat must diversify its donor base and funding sources, particularly moving away from over-reliance on just one loyal and generous donor.
- **Country contributions.** The RGM costs should be covered by the contributions from the countries in the long term to show ownership and support for regional coordination and collaboration, demonstrate commitment to implement the SAP, and reduce uncertainties in the secretariat and RGM operations. Ensure that the RGM and ATS programme are not totally dependent on donors. Grants and external funding can be mobilized more for the implementation of SAP projects.

- **Earned income.** It is possible to earn income from applying certain economic instruments.
- **Interest from reserve fund.** It is important to build up a **reserve fund** (the amount of money put in reserve), which can earn interest and give the RGM a buffer against financial crises. The interest can be put in the project fund and spent on projects similar to donor funding or to augment existing budget for unforeseen expenses (subject to approval of the countries).
- **Cost control and careful spending.** It is easier to implement an effective financing strategy when the RGM can keep costs as low as possible without sacrificing the quality or quantity of the work. This also includes keeping overhead expenses as low as possible. In this way, the countries, donors, and partners can see that their money is not wasted. Moreover, this is a good way to improve and sustain the general efficiency of the Regional Secretariat and the RGM overall.

3. Strategic options for financing

Once all the prerequisites for a successful financing strategy are in place, the next step is to look at which strategic options for financing are realistic for the RGM and make it cost-effective and efficient. In order to make that decision, there is a need to assess each option in terms of:

- appropriateness for the RGM
- practicality for the RGM
- affordability for the participating countries
- the organizational values and purpose: related to regional coordination, knowledge sharing, financing, and M&E for SAP implementation

The key tools for integrating financial management into the overall work program of the RGM and SAP implementation are: (a) financing strategy; and (b) budget. These two tools are intertwined since an organization cannot have a financing strategy if it does not have a budget.

3.1 Financing strategy

A financial strategy will help the RGM in achieving its financial goals and optimize resources. In this report, the financing strategy for the RGM is based on the following:

- a. A three-year budget, which presents either the minimum *survival* budget or the *working* budget (see **Table 4**).
- b. A five-pronged strategy, combining (i) country contributions; (ii) grants and donations, (iii) income generated from implementing economic instruments and other financing mechanisms, (iv) income generated from interest on the reserve fund, and (v) collaborations with other programmes/projects, development partners, environmental NGOs, and private sector.

3.2 Budget

The budget is the document that translates plans into money. It comes directly out of the activities that have been planned by the RGM as part of its strategy to achieve the ATSEA vision and implement the SAP. The money in the RGM budget is equal to how much it will cost the RGM to operate, coordinate with the countries, partners, and stakeholders for the implementation of its plans and the SAP, and what funds will be needed to raise to cover these costs. In other words, the budget covers both **income** and **expenditure**.

Several versions of the budget can be prepared:

- A **survival budget**: the bare minimum needed in order to continue functioning and to justify the existence of the ATS programme.
- A **working budget**: this reflects what the ATS Regional Secretariat and RCC confidently expect to raise or generate to cover the RGM cost.

- A **guaranteed budget**: this reflects the amount that has been guaranteed or secured.
- An **ideal or optimal budget**: this covers all the RGM cost, and potentially, other activities that the RS may undertake (e.g., travel to the ATS countries for meetings, consultations, project coordination and monitoring; participation in workshops and conferences; public awareness and knowledge sharing; marketing and communication for resource mobilization; meetings with donors and development partners, etc.), and hope will be able to be supported and funded.

Table 4 shows the estimated budget for the initial phase (first three years) of operation of the RGM, based on *preliminary* cost estimates. The **survival budget** is equal to the cost of the Regional Secretariat to keep it running (USD475,960). This would assume, however, that the countries will shoulder the portion of the regional cost related to the RGM meetings, including the participation of two RS staff, as well as the national costs. On the other hand, a **working budget** should cover the entire regional cost (USD502,560) with the countries shouldering the national costs related to the RGM meetings. The **optimal budget** would include other costs, such as consultations, public awareness, resource mobilization, and contingency. These other costs may be financed through the Project Fund of the ATS Regional Fund, with funds coming from donors, development partners, and voluntary or discretionary country contributions.

In line with the medium- and long-term RGM plan and SAP, the Regional Secretariat is supposed to prepare the annual workplan and financial plan biennially and present these to the RCC and COM for approval. This means that in 2024, a detailed budget and corresponding funding sources should be prepared (by the RPMU initially) and agreed upon by the countries (perhaps as part of the agenda during the Ministerial Forum). This process will be repeated by the Regional Secretariat in 2026. Some of the items that are typically included in an organizational budget are:

- staff and other personnel, with their salaries and benefits
- office costs, such as electricity, water, telephone, internet, insurance, security, and rentals (e.g., photocopying machine);
- capital costs for new equipment and other physical resources needed to support the work (e.g., office furniture, laptops, printers, projectors, audio equipment, etc.)
- operational costs for doing the work, e.g., travel costs, consultations and meetings, ATS Regional Fund management, knowledge products development, printing, etc. (The costs related to knowledge products and printing can be part of the SAP project costs.)
- development costs for the staff and for the organization, e.g., training, capacity building workshops, conferences, etc.
- marketing, communication, and resource mobilization

Table 4: Preliminary estimated budget for the RGM

First year (2025)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	475,960						475,960
1. Core staff and administrative staff	420,259						
2. Office costs and audit costs	55,701						
B. REGIONAL GOVERNANCE MEETINGS	26,600	4,930	12,605	12,705	12,005	12,705	81,550
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)	-						
	502,560						557,510
Second year (2026)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	459,660						459,660
1. Core staff and administrative staff	420,259						
2. Office costs and audit costs	39,401						
B. REGIONAL GOVERNANCE MEETINGS	34,800	8,740	25,325	25,725	24,225	25,725	144,540
1. RCC : rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)		560	4,030	4,130	3,930	4,130	
4. Additional RCC (3 months before COM mtg, in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
	494,460						604,200
Third year (2027)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	459,660						459,660
1. Core staff and administrative staff	420,259						
2. Office costs and audit costs	39,401						
B. REGIONAL GOVERNANCE MEETINGS	26,600	4,930	12,605	12,705	12,005	12,705	81,550
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)	-						
	486,260						541,210

3.3 Financing modalities and options

Once the costs and budget of the RGM are estimated and financing needs are determined, all available financing options should be explored. Each financing option has its own set of costs and benefits.

3.3.1 Option 1: RGM's regional costs to be 100% funded by the countries.

- a. Costs can be divided into (a) percentage based on equal sharing; (b) percentage based on assessed scaling (e.g., using GDP).

Table 5 shows the estimated cost sharing under different scenarios.

- *Option 1a*: 60% equal sharing; 40% based on GDP
- *Option 1b*: 40% equal sharing; 60% based on GDP
- *Option 1c*: 50% equal sharing; 50% based on GDP
- *Option 1d*: 100% equal sharing
- *Option 1e*: 100% based on GDP

- b. *Option 1f*

- Regional secretariat: (a) staff costs can either be funded through secondment from the ATS countries or through voluntary country contributions; (b) office costs to be shouldered by host country; (c) RS staff participation in RCC, RSWG and COM meetings to be funded by host country or contributions from the ATS countries.
- RGM meetings: (a) venue, meals, equipment, and supplies will be funded by host country (hosting is on a rotating basis); (b) travel (airfare), daily subsistence allowance (DSA), and accommodation costs of government representatives and country-nominated participants will be shouldered by each country for their respective delegates.
- voluntary country contributions (and any funding from partners and other donors) would help in funding other activities of the RS, e.g., meetings, consultations, site/project visits and monitoring, resource mobilization, knowledge sharing, etc.

The UN Rules on Assessment and Scaling of Country Contributions may be applied as guide to estimating country contributions to support the approved budget for the RGM.

For voluntary country contributions, these will be pledged/paid annually and deposited into the ATS Regional Fund and earmarked for the RGM cost or budget. If there is any excess over the actual cost, it will go to the reserve fund (of the ATS Regional Fund) and cover those SAP projects without funding or rolled over for the following year's budget. There should be a contingency plan and alternative funding source in case there is a shortfall in country contributions.

Table 5. Estimated costs for Option 1 (Regional cost to be funded by countries)

Total regional cost of RGM:	574,290		
To be funded by Regional Fund	502,560		
OPTION 1: 100% funded by countries			
Option 1a	60% equal shares	40% by GDP	Total
	301,535.82	201,023.88	502,559.70
Australia	75,383.95	117,107.27	192,491.22
Indonesia	75,383.95	81,863.02	157,246.98
Papua New Guinea	75,383.95	1,844.44	77,228.39
Timor-Leste	75,383.95	209.15	75,593.11
Option 1b	40% equal shares	60% by GDP	Total
	201,023.88	301,535.82	502,559.70
Australia	50,255.97	175,660.90	225,916.87
Indonesia	50,255.97	122,794.53	173,050.50
Papua New Guinea	50,255.97	2,766.66	53,022.63
Timor-Leste	50,255.97	313.73	50,569.70
Option 1c	50% equal shares	50% by GDP	Total
	251,279.85	251,279.85	502,559.70
Australia	62,819.96	146,384.08	209,204.05
Indonesia	62,819.96	102,328.78	165,148.74
Papua New Guinea	62,819.96	2,305.55	65,125.51
Timor-Leste	62,819.96	261.44	63,081.40
Option 1d and 1e	100% equal shares	100% by GDP	
Australia	125,639.92	292,768.17	
Indonesia	125,639.92	204,657.56	
Papua New Guinea	125,639.92	4,611.10	
Timor-Leste	125,639.92	522.88	

3.3.2 Option 2: RGM's regional costs to be 100% funded by other sources.

- RGM to be funded as part of the SAP, i.e., on a project-funding basis.
- Other financing mechanisms are mobilized.

3.3.3 Option 3: 50-50 (50% funded by countries, and 50% funded by other sources)

Four scenarios are considered for the cost-sharing of ATS countries to fund 50 percent of the regional cost (Table 6).

Percentage may vary depending on the available funds, country commitments, and regional agreement.

Table 6. Estimated costs for Option 3 (50% by countries and 50% by other sources)

OPTION 3: 50-50				
To be funded by other sources		251,279.85		
To be funded by countries		251,279.85		
Option 3a		60% equal shares	40% by GDP	Total
		150,767.91	100,511.94	251,279.85
	Australia	75,383.95	58,553.63	133,937.59
	Indonesia	75,383.95	40,931.51	116,315.47
	Papua New Guinea	75,383.95	922.22	76,306.17
	Timor-Leste	75,383.95	104.58	75,488.53
Option 3b		50% equal shares	50% by GDP	Total
		125,639.92	125,639.92	251,279.85
	Australia	31,409.98	73,192.04	104,602.02
	Indonesia	31,409.98	51,164.39	82,574.37
	Papua New Guinea	31,409.98	1,152.77	32,562.76
	Timor-Leste	31,409.98	130.72	31,540.70
Options 3c and 3d		100% equal shares	100% by GDP	
		251,279.85	251,279.85	
	Australia	62,819.96	146,384.08	
	Indonesia	62,819.96	102,328.78	
	Papua New Guinea	62,819.96	2,305.55	
	Timor-Leste	62,819.96	261.44	

3.4 Financing sources

3.4.1 Country contributions

Country contributions can be set up like membership fees, which are a way of raising money through dues from members. As with all other income generating activities, the RGM needs to cost its operations to make sure that the country contributions at least cover the operating costs. Additional country contributions can be voluntarily offered to cover other RGM activities and SAP projects. A country may also provide funds for projects that deal with an issue that needs immediate action.

3.4.2 Grants and donor funding

Considering the limited resources from the ATS countries and the amount needed to implement the SAP, the Regional Secretariat should come up with a list of potential institutions and agencies⁶ that can provide support for the establishment of the RGM and the ATS Regional Fund, and the necessary funding and technical assistance for the implementation of the SAP projects, such as marine plastic management, protection of endangered, threatened and protected marine species and critical habitats, sustainable small-scale fisheries, monitoring, control and surveillance (MCS) systems to deter and prevent illegal, unreported, and unregulated (IUU) fishing, oil spill contingency and response, as

⁶ As part of the contract under ATSEA-2, a list of financing institutions, multilateral development banks, development aid agencies, foundations and philanthropies with ocean financing initiatives, information on available funds and how to access them, and examples of their funded projects has been prepared for use of the incoming Regional Secretariat.

well as cross-cutting issues related to strengthening ocean governance, climate resiliency, gender and social inclusion, etc.

Other than normal direct grants, donors can also: (a) help leverage other financial resources by putting the RS staff in touch with other donors and/or challenging other donors to match grants; (b) assist in getting a new financing approach off the ground by providing an initial investment; (c) provide capacity building funding to help the RS develop financial sustainability strategies.

Pros:

- Funds/grants do not have to be repaid
- Can be for large amounts
- May be able to automatically qualify for the same grants every year

Cons:

- Funding for grants can dry up
- There may be heavy competition to qualify for certain grants
- Requires a grant writer on the team to fill out applications
- Large donations are not guaranteed
- Donations may slow during sluggish economic times

Examples of donors, grant and development aid agencies, and philanthropies (See Annex 2.):

- a. **Global Environment Facility (GEF)**⁷. The GEF serves as a financial mechanism for several environmental conventions. The GEF is a partnership for international cooperation where 183 countries work together with international institutions, civil society organizations, and the private sector to address global environmental issues. The GEF funding is provided by participating donor countries and made available to developing countries and countries with economies in transition to meet the objectives of international environmental conventions and agreements.

The **GEF Trust Fund** is one of the financial mechanisms of the GEF that provides grants to developing countries and countries with economies in transition to support projects that benefit the global environment and promote sustainable livelihoods in local communities. Financial contributions by donor countries are provided via several trust funds administered by the World Bank acting as the GEF Trustee and serviced by a functionally independent Secretariat housed at the World Bank. The Trustee helps mobilize GEF resources through a replenishment process every four years; transfers funds to GEF Agencies; and prepares financial reports on investments and use of resources. The Council-approved funds are transferred through 18 GEF Agencies to government agencies, civil society organizations, private sector companies, research institutions, among the broad diversity of potential partners, to execute projects and programs in recipient countries.

⁷ GEF. "Funding." Accessed from <https://www.thegef.org/who-we-are/funding>.

Specialized funds: Green Climate Fund (GCF), Adaptation Fund, Climate Investment Funds

- b. Multilateral development banks (MDBs).** A MDB is an international financial institution (IFI) chartered by two or more countries for the purpose of encouraging economic development in developing countries. MDBs consist of member nations from developed and developing countries. MDBs provide loans and grants to member nations to fund projects that support social and economic development, environmental sustainability, climate resiliency, etc. Along with financial assistance, MDBs often provide countries with advisers, auditors, and expert assistance in implementing and monitoring bank-funded projects. While commercial banks seek to make profits on loans and other financial services, the MDBs prioritize development goals and issue grants and low-cost loans to improve the socioeconomic conditions of least developed and developing countries. MDBs are also subject to international law.

The World Bank. The World Bank is an international organization affiliated with the United Nations and provides financial and technical assistance to developing countries. It provides a wide array of financial products and technical assistance, and helps countries share and apply innovative knowledge and solutions to the challenges they face. The World Bank has published over 200,000 documents to increase understanding of development policies and programs. These reports, working papers, and documents, along with the primary data on which they are based, are available online at no cost.⁸ The World Bank finances public projects to build physical and social infrastructure, and develop institutional capacity. We also finance government programs to support achievement of their objectives, and support policy and institutional reforms of national and subnational governments by providing budget financing and global expertise.⁹

Asian Development Bank (ADB)¹⁰. The ADB is a regional development bank established in 1966 to reduce poverty and promote social and economic development in Asia. ADB envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region. ADB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development. It maximizes the development impact of its assistance by facilitating policy dialogues, providing advisory services, and mobilizing financial resources through co-financing operations that tap official, commercial, and export credit sources. The ADB **Ocean Finance Framework** provides guidance on the types of projects that meet ADB criteria for investments under its Action Plan for Healthy Oceans and Sustainable Blue Economy. The **Oceans Financing Initiative** aims to create opportunities for the private sector to invest in projects that improve the ocean’s health and stimulate the blue economy. Through the Initiative, ADB commits to expand its investments and technical assistance in these areas to USD5 billion between 2019-2024. ADB also co-finances projects with GEF.

⁸ The World Bank. 2023. “What we do.” <https://www.worldbank.org/en/what-we-do>

⁹ The World Bank. 2023. “Products and Services.” <https://www.worldbank.org/en/what-we-do/products-and-services>.

¹⁰ Asian Development Bank. 2023. “About ADB.” <https://www.adb.org/who-we-are/about>.

Kreditanstalt für Wiederaufbau (KfW) Development Bank¹¹. KfW is a German state-owned investment and development bank, based in Frankfurt. KfW has been committed to improving economic, social and environmental living conditions across the globe on behalf of the Federal Republic of Germany and the federal states since 1948. To do this, it provided funds totalling almost EUR 167 billion in 2022 alone. Of this amount, 33% was used for climate and environmental protection. Its financing and promotional services are aligned with the UN Agenda 2030 and contribute to the achievement of the 17 Sustainable Development Goals (SDGs). KfW is creating prospects or potential projects on functioning infrastructure, alleviating poverty and hunger, providing access to education and health care, protecting the oceans, finding alternatives to plastic, supporting the energy transition, exports and entrepreneurship with equal opportunity for all.¹² KfW is one of the World Bank's biggest bilateral co-financiers.

Japan Bank for International Cooperation (JBIC)¹³. JBIC is an institution wholly owned by the Japanese Government, is a leading public financial institution in the international financial market. JBIC has supported projects all over the world, including infrastructure, natural resources, and renewable energy, by providing direct loans, guarantees and equity.

- c. **Development aid agencies** provide regional and international development aid or assistance for various initiatives. They can potentially provide funds for the SAP projects. The RCC and Regional Secretariat can organize partnerships and investments roundtables with the IFIs, aid agencies, and other potential donors and partners to promote ATSEA, and the work of the RGM in implementing the SAP, and its contribution towards achieving the SDGs, and other related multilateral environmental agreements and international conventions.

Examples:

- **Australia:** Department of Foreign Affairs and Trade (Development Cooperation Division), formerly AusAID
- **Canada:** Global Affairs Canada (previously Canadian International Development Agency, absorbed into Foreign Affairs, Trade, and Development Canada); International Development Research Centre (IDRC); and the Canadian Executive Services Organization (CESO|SACO)
- **China:** China International Development Cooperation Agency (CIDCA)
- **Denmark:** Danish International Development Agency (DANIDA)
- **European Union:** Directorate-General for International Partnerships
- **Finland:** Department for International Development Cooperation (FINNIDA)
- **France:** Expertise France, Department for International Cooperation; and Agence Française de Développement/French Development Agency (AFD)
- **Germany:** Federal Ministry for Economic Cooperation and Development; KfW; and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

¹¹ KfW Development Bank. <https://www.kfw.de/About-KfW/>

¹² KfW Development Bank. <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Entwicklungsbank/>

¹³ World Economic Forum. 2023.

- **Japan:** Japan International Cooperation Agency (JICA); and JBIC
- **Korea:** Korea International Cooperation Agency (KOICA); Korea Maritime Institute (KMI)
- **Netherlands:** Netherlands Development Cooperation, Dutch Ministry of Foreign Affairs
- **New Zealand:** New Zealand Agency for International Development (NZAID)
- **Norway:** Norwegian Agency for Development Cooperation (NORAD)
- **Spain:** Spanish Agency for International Development Cooperation (AECID)
- **Sweden:** Swedish International Development Cooperation Agency (Sida)
- **Switzerland:** Swiss Agency for Development and Cooperation (SDC), Helvetas
- **United Kingdom:** Foreign, Commonwealth and Development Office (FCDO)
- **United States:** United States Agency for International Development (USAID)

d. UN agencies

Every year, The United Nations (**UN**) and their specialized agencies (e.g., IMO, UNDP, UNEP, FAO, UNESCO/IOC, etc.) launch several programs that offer grants and fellowships to organizations to create strong partnerships for creating positive impact on the environment, bringing about social change, piloting and demonstrating innovative, scalable, and replicable examples of tackling biodiversity loss and climate change challenges.

e. Philanthropies and foundations

The Regional Secretariat can also delve into partnerships with philanthropies and foundations that are supporting initiatives for ocean management and sustainability to access their funds.

The report, “A Decade of Ocean Funding: Landscape Trends 2010–2020”, found that philanthropic funding for marine conservation doubled over the past decade, from roughly US\$520 million in 2010 to US\$1.2 billion in 2020.¹⁴ Funding is concentrated with just a few foundations providing the overwhelming majority of support. The top 20 funders provided about 64% of all marine funding, while the top five funders in 2020 provided 44% of all funding. The report listed the David and Lucile Packard Foundation as the largest supporter of ocean philanthropy over the past ten years, while the largest donor to ocean conservation in the year 2020 was the Nippon Foundation.¹⁵

In 2022, **Bloomberg Philanthropies** announced that the **Bloomberg Ocean Initiative** will invest USD204 million to leverage data-driven solutions, policy solutions, and community involvement to protect coral reefs, stop illegal fishing, and safeguard marine ecosystems and biodiversity that are at risk from the growing impacts of climate change.¹⁶ The Bloomberg Ocean Initiative works with coastal communities, nonprofit organizations, local and national governments, policymakers, and academic groups to enable greater ocean sustainability.

¹⁴ <https://asia-pacificboating.com/blue-planet-worlds-top-ocean-philanthropists-revealed>

¹⁵ <https://asia-pacificboating.com/blue-planet-worlds-top-ocean-philanthropists-revealed>

¹⁶ Bloomberg Philanthropies. 2022.

Top 20 ocean philanthropy funders, from 2010 to 2020

- David and Lucile Packard Foundation – US\$982 million – Ocean Initiative
- Nippon Foundation – US\$844 million – Blue program
- Gordon and Betty Moore Foundation – US\$622 million – Marine Conservation Initiative
- Walton Family Foundation – US\$420 million – Ocean grant
- Novamedia/Postcode Lotteries – US\$239 million – Nationale Postcode Loterij
- Marisla Foundation – US\$226 million – Environment program
- Simons Foundation – US\$190 million – Simons Early Career Investigator in Aquatic Microbial Ecology and Evolution Awards
- Oak Foundation – US\$184 million – Environment programme
- MAVA Foundation – US\$153 million (Foundation closed in 2022)
- Dalio Philanthropies – US\$105 million – Ocean Exploration and Awareness Program
- Bloomberg Philanthropies – US\$102 million – Environment Program, Protecting the Ocean Sub-Program
- Oceans 5 – US\$82 million – Ocean 5 grant
- Margaret A. Cargill Philanthropies – US\$75 million – grant
- National Philanthropic Trust – US\$71 million – Donor-Advised Fund
- Waitt Foundation – US\$61 million - Rapid Ocean Conservation Grants
- Arcadia Fund – US\$52 million – Protecting Endangered Nature
- Builders Initiative – US\$50 million – Ocean grant
- Paul G. Allen Family Foundation – US\$48 million – Global Fund for Coral Reefs
- Bertarelli Foundation – US\$47.5 million – marine protection

Top 5 ocean philanthropy funders in 2020

- Nippon Foundation – US\$139 million
- David and Lucile Packard Foundation – US\$135 million
- Gordon and Betty Moore Foundation – US\$91 million
- National Philanthropic Trust – US\$63 million
- Novamedia/Postcode Lotteries – US\$61 million

3.4.3 Earned income

- Environmental user fees.** Examples include getting a percentage share from an Environmental User Fee (EUF) system that may be established in key marine protected areas that would be open for sustainable ecotourism, and EUFs are collected from tourists/visitors. EUFs may also be collected from other ATS resource users or from those users whose activities may impact the ATS, such as shipping companies, commercial fishing fleets, oil production, etc.
- Blue carbon.** Businesses are making bold net-zero greenhouse gas emission commitments and driving rapid growth of the carbon credit market by purchasing carbon credits equal to their emissions. Each carbon credit represents the removal (or avoided emissions) of one metric ton of carbon dioxide (or its equivalent) from the atmosphere. Global demand for carbon credits

is projected to increase 15-fold and be worth up to \$50 billion by 2030.¹⁷ Blue carbon credits – credits linked to carbon storage in coastal and marine ecosystems – could represent a significant portion of that pie.

- c. **Interest from reserve fund.** Estimated reserve fund interest earnings are calculated considering interest rate, tax rate, inflation rate and cash flow assumptions. Initially, all interest from money in the capital reserve fund will, for the next three years, be reinvested in the fund. When there are enough interest earnings, these can be used in the same way as donations to fund those projects that do not have guaranteed funding or projects focusing on the cross-cutting issues identified in the SAP.

3.4.4 Investments and partnerships

A 2016 report by Credit Suisse and McKinsey Center for Business and Environment estimated a total conservation finance investment potential of US\$200-400 billion between 2016 and 2020.¹⁸

- a. **Collaboration with the private sector.** The potential for private capital entering the marine conservation and management field is considerable.
 - **impact investors.** Impact investing capital can flow to projects in a variety of ways, including:
 - Equity financing in which a company sells stock or shares to investors
 - Fixed income financing in which companies or governments borrow money from investors with an obligation to pay back the principal plus interest (also referred to as debt financing; this includes the sale of bonds)
 - Lines of credit arranged by investors to be extended to the borrower
 - Loan guarantees in which investors assume all or a portion of the debt obligation of a borrower if the borrower were to default.

Examples:

Blue Ocean Impact¹⁹: impact investors that (1) focus on addressing the challenges facing our threatened oceans; (2) identify and invest in new sources of value in investments which also have a positive impact on the ocean; (3) seek investments that deliver at or above market returns that are uncorrelated to traditional asset classes. Blue Ocean Impact is primarily focused in the Asia Pacific region.

Arowana Impact Capital Group. Arowana Impact Capital (AIC), the impact investing arm of award-winning global B Corp investment group, Arowana, is pleased to announce the completion of a cornerstone investment in **Green Antz**, producer of eco-friendly

¹⁷ World Economic Forum. 2021.

¹⁸ Credit Suisse Group AG and McKinsey Center for Business and Environment. 2016.

¹⁹ Blue Ocean Impact. www.blueoceanimpact.com

construction materials operating in Southeast Asia. Green Antz converts plastic waste from commercial establishments and communities into value-added construction materials, such as bricks and pavers.²⁰

- **corporate environmental responsibility.** Corporate environmental responsibility is used by multinational corporations as well as small, local organizations. It is highlighted and more institutionalized because of stakeholders' awareness of the huge impacts of business activities on the environment.
- b. Collaboration with other programmes/projects.** The RGM can explore developing partnership arrangements with other programmes and/or projects in the region (e.g., CTI-CFF, ASEAN, APEC, IUCN, etc.) and create synergies and cost-effective approaches for the implementation of selected SAP projects.
- c. Collaboration with environmental NGOs.** Another way is to collaborate with other environmental NGOs to implement and raise funds for SAP-related projects. For example, WWF, Conservation International, WorldFish, The Nature Conservancy, Take3, Oceana are some of the NGOs doing work on ocean-related projects.
- d. Collaboration with local/national aid agencies and donors.** The Regional Secretariat, with the assistance from the National Secretariats, National Coordinating Committees (NCCs), can seek out local or national development banks and local aid agencies to get assistance for the implementation of projects identified in the SAP and NAPs. There are also potential local donors in both the grant-making and corporate sectors. Remember that local donors have an immediate stake in development of people and communities and protection of the environment and habitats in their geographical locations.

3.4.5 General public

- a. Crowdfunding:** This involves appealing to the general public for donations and can be done using social media and online platforms. Sometimes people give because they feel responsible, or they feel it is important to be part of the solution rather than part of the problem.
- b. Digital storytelling.** This is one of the most effective marketing mediums, whether on social media, video, ads, or cross-channel platforms extending into the real world. The marketing strategy would include crafting relatable and shareable content, which can educate, create human factor, and encompass telling a story that captures interest and evokes emotion to interest, excite, move the viewer, and hopefully, encourage donations.
- c. Organizing special fundraising events,** for example during World Ocean Day. These events serve as public relations events and shine a spotlight on the ATSEA and can therefore leverage additional funding for the SAP. However, organizing these events also entails costs.

²⁰ Arowana. 2022.

Pros:

- Raised funds do not have to be repaid.
- Funds can come from any donor who is interested in supporting the RGM and SAP.
- Fundraising activities provide a way to publicize the RGM and the ATS cause.

Cons:

- Developing digital contents and planning fundraising events can be time-consuming.
- Fundraising may need to be ongoing or continuing activity; not a one-and-done event.
- May require finding businesses and individuals to donate time or products.

3.5 Phases for funding arrangements

The ATS countries can select from the options to finance the RGM, or do it by phases:

a. Initial phase (first to second or third years):

Options

➤ **Option 1f:** All the Regional Secretariat staff are either on secondment from the ATS countries or supported by voluntary country contributions. RS Office will be supported by the host country, with some expenses supported by the other ATS countries. RCC, RSWG, and COM meeting costs (venue, meals, equipment, and supplies) will be shouldered by host country on a rotating basis, but airfare, accommodation and DSA of government representatives and country-nominated members will be shouldered by each country.

➤ **Option 2: RGM's Regional cost will be funded by other sources**

There is a need to immediately identify possible funding sources, and by 2024, identify the financing source(s) and secure the funding required to reduce uncertainty and delays in RGM operations and SAP implementation by 2025. Agreement on the processes for setting up the Regional Fund and fund management will also need to be initiated in 2024.

In case of lags and setbacks in securing external funds²¹, then the fallback position is to look for existing or on-going programmes and projects where collaborative partnership arrangements, including co-financing, can be made. The other fallback option is the following:

²¹ GEF Funding may become available sometime in 2026. Thus, bridging funds for the RGM would be needed if the ATS countries would like to commence the shift to programme-based and country-owned initiative in 2025, after the planned signing of a Ministerial Declaration in 2024. As agreed during the pre-RSC Meeting and endorsed during the 5th RSC Meeting on 22 November 2023, the bridge financing for the RGM will come from country contributions of Papua New Guinea and Timor-Leste, secondment of RS national staff by Indonesia, hosting of RS and assuming of RS office cost by Indonesia, and contribution of PEMSEA, a future strategic partner. Agreements, legal documents, and other requirements would have to be put in place in 2024 to access, secure, transfer, and manage such funds to support the RGM in 2025. For the SAP implementation, initial funding can come from collaborations with other projects, donors, and development partners to initiate some priority SAP actions, including the cross-cutting components of the SAP.

b. Transition phase (next five years):

- **Option 3: 50-50** (50% by countries, and 50% by other funding sources)

During this phase, it is assumed that there is guaranteed funding from the countries and other sources to finance the RGM cost, and the ATS Regional Fund has been established and operational. The percentage may vary depending on the available funds.

c. Long-term

- **Option 1: RGM's Regional cost to be 100% funded by the countries.**

The target is full country ownership of the regional ATS programme, with an operational Regional Fund (and possibly an ATS Trust Fund), and RGM to be funded by the countries. The priority projects of the SAP will still be funded by various financing sources, considering the limited resources of some ATS countries. (Table 17 and Table 18 in Annex 1 show the financing arrangements, including country contributions and trust funds in selected regional mechanisms.)

3.6 Resources and Support Networks

The Regional Secretariat/Finance and Resource Mobilization Specialist (with support from the RCC and RSWG) should provide information and develop a list of the following for networking, collaboration, and knowledge sharing:

- International Environmental Organizations.** These organizations can provide resources, technical assistance, and support to the ATS Regional Fund, and offer valuable expertise, funding opportunities, and partnership possibilities.
- Funding Agencies and Foundations.** These organizations support environmental projects and initiatives and can be potential sources of financial and technical support.
- Environmental and Regional Seas Trust Fund Networking.** These networks can facilitate collaboration, knowledge-sharing, and capacity-building. They can also help the environmental and regional seas trust funds learn from each other and strengthen their collective impact. The ATS Regional Fund can potentially learn from such fund networks.
- Online Resources and Tools** related to funding and ocean management. These resources can facilitate the access to relevant information, data, and best practices to enhance effectiveness of the RGM and the ATS Regional Fund.

3.7 Contingency plan

Financial needs can change unexpectedly, and the chosen financing option might not always be available or adequate. Therefore, it is important to have a contingency plan, which involves identifying alternative financing options and strategies, and reducing expenses if necessary.

4. Making the financing strategy work

4.1 Record-keeping

A financial strategy deals with the availability of sources, usages, and management of funds. It is essential to keep differentiated records for each of the funding sources, income generating strategies, and expenditures. By keeping separate records, it is easier to monitor and determine which parts of the strategy are working and which are not. Good records also help in demonstrating effective fund management and cost-effectiveness of the RGM, and in building up a clear profile of donors and partners, both large and small.

The book-keeping system should provide differentiated information about each of the financing strategies and options; the income generated from each strategy, each month and over time; the costs incurred for each strategy, each month and over time; any savings; and interest earned. A book-keeping system that also serves as an early warning system would enable the monitoring of the achievements of the strategies against the targets that have been set, monthly, annually, and over time. With this information, management can make informed decisions about which strategies are worth pursuing and which are not. This enables the RS to take remedial action when a strategy is not doing as well as had been planned, and to improve the cash flow, resource mobilization, and fund disbursements.

4.2 Skills

- a. **Management skills** are indispensable to ensure the necessary planning, human resource management, regional coordination, technical capacity, and M&E required to make the financing strategy work and achieve effective resource mobilization and income generation.
- b. **Financial skills.** While the RS will clearly need a staff with accounting and bookkeeping skills, and staff with finance and resource mobilization skills, those at the management level of the RS and RCC should also have a range of skills that include the following to be able to make recommendations and decisions:
 - analyzing financial reports
 - costing and budgeting
 - funding proposal development
- c. **Public relations skills.** To be able to raise funds from the countries, donors, development partners, private sector, and even the general public, the RS should have skills around:
 - communicating, writing, and public speaking
 - marketing
 - networking
 - profile building

4.3 Monitoring and evaluation of the financing strategy

Through M&E, the RGM can learn which options for financing work, and which do not. Key points for monitoring and evaluating the financing strategy include:

- a. Determine how much each option costs to implement.
- b. Be alert for early warning signals (e.g., costs too high, funds running too low).
- c. Prepare monitoring reports for RCC and COM. Evaluate the efforts of the Regional Secretariat over a year, looking at the RGM cost to *income ratio* – how much did the strategy cost and what income did it yield? Do this overall but break it down into the different options as well.
- d. On a monthly basis, look at progressive targets and assess if on track (likely) to achieve the targets set. If not, what can be done about it? Take corrective action when there is something going wrong.
- e. Use tables and graphs to show trends. (e.g., targets against actual, monthly over a year.)
- f. Use the information to arrive at conclusions and make decisions.

A good financing strategy is flexible and responsive to changes in the RGM’s financial situation and the broader economic environment.

4.4 Auditing and reporting

The Regional Secretariat should maintain accurate financial records, prepare regular financial reports to ensure transparency and accountability, and submit these reports to independent audits to verify their accuracy and compliance with applicable regulations. The Regional Director should present the report on the administration of the ATS Regional Fund and show:

- a. funds received and expenditures incurred during each fiscal year.
- b. detailed report on the contributions of the countries, donors, and other partners made and not made.
- c. assets and liabilities of the ATS Regional Fund
- d. interest earned by the ATS Regional Fund
- e. other receivables, if any

4.5 Continuous improvement and learning

The RGM should strive for continuous improvement and learning by regularly assessing its performance as well as that of the ATS Regional Fund, incorporating feedback from stakeholders, and adopting best practices. This may involve participating in peer-to-peer networks, attending conferences and workshops, and staying informed about emerging trends and innovations in financing mechanisms, ocean governance, and environmental management.

5. Regional and country consultations on bridge financing

The four ATS countries have to examine the RGM structure vis-à-vis the updated Strategic Action Programme (SAP). The RGM is part of the governance component of the SAP. The countries want the RGM to be fit for purpose and cost effective. Thus, the structure, composition, and Terms of Reference (TOR) of each component body will be based on: (a) *technical and administrative aspects*: how it can effectively conduct the coordination, meetings, and workshops, provide technical guidance, monitor and evaluate the SAP implementation, mobilize and manage funds to support the RGM operations and the SAP, and support capacity development and knowledge sharing in the ATS region; and (b) *corresponding costs*: cost of the Regional Secretariat (staff, office), and costs of the RGM meetings. During the country and regional consultations, it was pointed out that the costs of the Regional Secretariat were estimated based on assumed organizational structure and UN salary scale for the assumed staff positions, and actual office operational costs of the RPMU, while the costs of the RGM meetings are based on actual expenditures during the regional meetings held in Indonesia, Papua New Guinea, and Timor-Leste.²² **Table 7** shows the three-year estimated budget using these cost estimates.

Realistically, the resources of each country are limited. Some countries also have constraints in providing financial contributions. For instance, there is a Presidential directive in Indonesia regarding its country contributions to international/regional programmes and organizations, while Australia has to wait until after the RGM is formally adopted (through a Ministerial Declaration or agreement) and demonstrated. Hence, there was preference of Australia for getting external funding for the SAP, including the governance component, with some of the RGM costs to be borne by the countries.

Considering the need to ensure the operationalization of the RGM and implementation of the SAP in 2025 on one hand, and the potential availability of GEF and other external funding sometime in 2026 on the other hand, it was agreed that supporting funds/resources from the ATS countries are necessary to avoid delays. Synergies and co-financing arrangements with on-going projects and/or projects in the pipeline that have secured or guaranteed funding will also be explored by the countries and the Regional Secretariat, with inputs or advice from the RCC, RSWG, and strategic development partners.

An additional consideration in subsequent country consultations is the ongoing initiative by the four ATS countries together with UNDP to develop a potential third phase ATSEA project to support the implementation of the updated SAP under the GEF-8 funding opportunity.

5.1 Intersessional Regional Steering Committee (RSC) Meeting

The following are the key recommendations pointed out by the countries during the Intersessional RSC Meeting (11 July 2023) and subsequent discussions with the RPMU:

²² Assumptions on the organizational structure and staff positions have to be made since the RGM and Regional Secretariat structure and Terms of Reference for the component bodies have not been finalized and endorsed yet when the work on the initial cost estimation, cost-benefit analysis, and drafting of the RGM Financing and Investment Strategy started.

- **Regional Secretariat**
 - a. Regional Coordinator may be supported by the four countries (on equal sharing or voluntary basis) or seconded by one of the countries.
 - b. Selected RS staff will be supported through secondments and/or country contributions.
 - Countries will select the positions that would be needed for the initial phase, and the corresponding salary grades.
 - c. Other RS staff positions: may be added as the work on the SAP implementation progresses, and may be funded through the SAP financing using external sources²³
 - d. RS Office
 - Office space and maintenance, utilities (electricity, water, phone), and security services may be supported by the host country.
 - Furniture and equipment (laptops and printers) from ATSEA-2 may still be used as they could still be in good condition, especially during the initial phase. (RPMU will check the necessary documentation for the handover.)
 - Internet and software subscription, office supplies, and janitorial services may be supported by the four countries (on equal sharing basis, GDP-based, or voluntary country contributions).
 - e. RS activities that may be funded through the regional fund, using SAP financing or external financing sources:
 - participation in RGM meetings
 - site visits/meetings (for coordination, technical assistance, and M&E)
 - capacity development/workshops
 - knowledge management
 - f. Resource mobilization: This is a crucial activity of the RS. It may initially be funded by voluntary country contributions, development partners, other external funding sources.
- **Regional governance and coordination meetings** (COM, RCC, and RSWG)
 - a. Use virtual or hybrid options to reduce cost.
 - b. In the case of in-person meetings:
 - Cost of venue and meals will be shouldered by the host country
 - Cost of travel, accommodation and DSA of country representatives and country-nominated participants will be shouldered by each country.
 - Cost of travel, accommodation and DSA of Regional Secretariat representatives will be funded through the regional fund.

²³ It is assumed that in addition to the country contributions, the implementation of the SAP will be supported and financed through external sources, e.g., GEF, national and multilateral development banks, aid agencies, donors, etc., and through collaborations with other projects/programmes and development partners. The next GEF financing may become available sometime in 2026. The other RS staff may be supported through the project-funding basis and will be hired when the GEF support and other funds become available.

Table 7. RGM Costs and Financing Modalities

	REGIONAL COSTS	Remarks	Financing
A. REGIONAL SECRETARIAT			
1. Core officers and administration staff	420,259		
1.1 International staff		Ref.: UN salary scale 2022 (int'l staff)	
Regional Director	137,376	D1 - Level II	country-funded (equal sharing/GDP-based/voluntary contribution)
Program Officer and M&E Specialist	61,993	P2 - Level II	external funding
Technical Officer (marine & coastal mgt)	61,993	P2 - Level II	external funding
Resource mobilization and finance specialist	61,993	P2 - Level II	country-funded (equal sharing/GDP-based/voluntary contribution)
1.2 Locally-hired/National staff		Ref.: Assuming Indonesia is host country: UN salary scale for Indonesia; USD1 = IDR15045	
Knowledge management and capacity development specialist	39,115	NO-A, step II	external funding
Administration & Finance Officer	39,115	NO-A, step II	country-funded (secondment/voluntary) or external funding
Executive Assistant	13,137	GS-4, step I	country-funded (secondment/voluntary) or external funding
Driver	5,537	GS-1, step I	country-funded (secondment/voluntary) or external funding
2. Secretariat office and admin costs	37,701		
office furniture (desks, ergonomic computer chairs, cabinets, conference table and chairs, etc.)	5000	one-time/first year only	carried over from ATSEA-2
laptops	10500	one-time/first year only	carried over from ATSEA-2
printers	200	one-time/first year only	carried over from ATSEA-2
photocopier	600	one-time/first year only (based on cost of printer/photocopier of RPMU)	carried over from ATSEA-2
utilities: electricity	4320	\$360/mo * 12 months	country-funded (host country)
utilities: water	360	\$30/mo * 12 months	country-funded (host country)
building/office maintenance	6000	\$500/mo * 12 months	country-funded (host country)
security services	3300		country-funded (host country)
office supplies (paper, pens, notepads, printer ink, etc.), drinking water	2400	\$131/mo for RPMU (Bali)	country-funded (equal sharing/GDP-based/voluntary contribution)
software subscription (Microsoft Office, anti-virus, etc.)	490		country-funded (equal sharing/GDP-based/voluntary contribution)
phone and internet subscription	1110	\$92.5/mo * 12 months (RPMU Bali)	country-funded (equal sharing/GDP-based/voluntary contribution)
dropbox subscription	200		country-funded (equal sharing/GDP-based/voluntary contribution)
zoom/Webex subscription	137		country-funded (equal sharing/GDP-based/voluntary contribution)
janitorial services	3084	\$257/mo (RPMU Bali)	country-funded (equal sharing/GDP-based/voluntary contribution)
3. Audit costs	18,000		external funding
External	6500	based on PEMSEA's cost	
Internal	11500	based on PEMSEA's cost	
4. Reports and KPs*		*printing of reports and KPs - part of SAP cost * Secretariat reports, Proceedings of RGM meetings and workshops: e-copies	external funding
	475,960		

Table 7. RGM Costs and Financing Modalities (cont.)

	REGIONAL COSTS	NATIONAL COSTS					Remarks	Financing
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)					
			Indonesia	Papua New Guinea	Timor-Leste	Australia		
B. REGIONAL GOVERNANCE MEETINGS								
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	REGL cost: external funding/host country; NATL Cost: country-funded	
<i>In case of in-person meeting:</i>								
Hotel/meeting venue (2 days)		2000					Cost of venue, equipment, meals, and supplies will be shouldered by host country. There will be no airfare, DSA and accommodation octs for participants from host country.	
Meals - lunch and morning and afternoon snacks (2 days)		800					includes projector, sound and microphone system, internet access (cost of venue based on actual expenses in Bali, PNG, and TL)	
Welcome dinner		250					4 RCC members (1 per country) + 4 NS staff (1 per country) + 2 RS staff (cost of meals based on actual expenses in Bali, PNG, and TL)	
Meeting costs (supplies, logistics, etc.)		200					4 RCC members + 4 NS staff + 2 RS staff	
Airfare							\$200 for supplies	
RS core officers	7000						RS Executive Director & Program Officer	
NFPs/NCC heads			\$3,500	\$3,500	\$3,500	\$3,500		
National Secretariat			\$3,500	\$3,500	\$3,500	\$3,500		
Accommodation and DSA (3 nights)							UN DSA Circular: \$215/day for ID and TL; \$315/day for AUS and PNG	
RS core staff	1200						RS Executive Director & Program Officer	
NFPs/NCC heads			645	945	645	945		
National Secretariat			645	945	645	945		
Contributor's fee and travel allowance for Indonesian representatives			400				for gov't representatives from Indonesia	
2. COM: every two years, rotating per country (in-person/virtual/hybrid)	-	-	4,030	4,130	3,930	4,130	NATL Cost: country-funded	
<i>In case of in-person meeting, back-to-back with RCC:</i>								
Meals - lunch and morning and afternoon snacks (1 day)							Cost of venue, equipment, meals, and supplies will be shouldered by host country. There will be no airfare, DSA and accommodation octs for participants from host country.	
Airfare							4 Ministers (1 per country), 4 RCC members (1 per country) + 4 NS staff (1 per country) + 2 RS staff (cost of meals based on actual expenses in Bali, PNG, and TL)	
Minister			3500	3500	3500	3500		
Accommodation and DSA (1 night)							UN DSA Circular: \$215/day for ID and TL; \$315/day for AUS and PNG	
Minister			430	630	430	630		
Contributor's fee and travel allowance for Indonesian representatives			100				for gov't representatives from Indonesia (for the Minister)	
3. RSWG: at least one meeting once a year - back to back with RCC (in-person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	REGL cost: external funding/host country; NATL Cost: country-funded	
<i>In case of in-person meeting:</i>								
Hotel/meeting venue (1 day)		1000					includes projector, sound and microphone system, internet access (cost of venue based on actual expenses in Bali, PNG, and TL)	
Meals - lunch and morning and afternoon snacks (1 day)		480					max of 12 members: 4 gov't or country-nominated reps, 4 regional experts, 4 reps from NGOs, communities, private sector (cost of meals based on actual expenses in Bali, PNG, and TL)	
Airfare of RSWG members								
Gov't representatives or country-nominated members			3500	3500	3500	3500		
Regional experts	14000						academe/scientists/experts on the key SAP issues, governance, etc.	
Other stakeholders							could be self-funded	
Accommodation and DSA of RSWG members							UN DSA Circular: \$215/day for ID and TL; \$315/day for AUS and PNG	
Gov't representatives or country-nominated members			215	315	215	315		
Regional experts	2400						academe/scientists/experts on the key SAP issues, governance, etc.	
Other stakeholders							could be self-funded	
Meeting costs (supplies, logistics, etc.)		200					\$200 for supplies; \$50/pax for dinner	
Contributor's fee and travel allowance for Indonesian reps/members			200				for representatives from Indonesia	
Honorarium (meetings, expert advice, review of project implementation, outputs, reports/KPs)	2,000						Honorarium for regional experts & non-govt members (scientists/academe) per year: \$500/pax/yr (based on ACB)	
	26,600	4,930	16,635	16,835	15,935	16,835		

5.2 Country consultations (8, 10, and 11 August 2023)

Bearing in mind that the GEF funding and other external financing may become available sometime in 2026, funds would be needed during the bridging phase in 2025-2026 to avoid delays and ensure the operation of the Regional Secretariat and RGM, and implementation of the priority actions in the SAP. Meetings with three ATS countries were held on the following days, via Zoom, to discuss the RGM

arrangements and financing strategy, options and recommendations on the bridging financing, government requirements and processes, and the timeline to complete the ATSEA financing aspects:

- a. 8 August 2023 – with Timor-Leste
- b. 10 August 2023 – with Papua New Guinea
- c. 11 August 2023 – with Indonesia

5.2.1 Revised RS structure, estimated cost, and three-year working budget

Figure 3 shows the bridge financing requirements taking into account the comments from the countries on scaling down the Regional Secretariat during the transition or bridging phase.

- a. Regional Secretariat staff for the interim or bridging phase: Four positions are considered to be important for the initial RS operations.
 - Regional Director/Coordinator
 - Resource Mobilization and Finance Specialist
 - Administrative and Accounting Officer
 - Executive Assistant

To further reduce the cost, another option is to only engage the (a) Regional Director who will conduct the regional coordination as well as meetings with partners and donors to mobilize financing and collaborate on projects, and (b) Administrative and Accounting Officer.

Other positions may be filled in as the GEF funding or other financing source becomes available.

- b. Cost of the initial Regional Secretariat
- c. Cost of the RS Office
- d. Cost of the RGM (RCC, COM, and RSWG) meetings

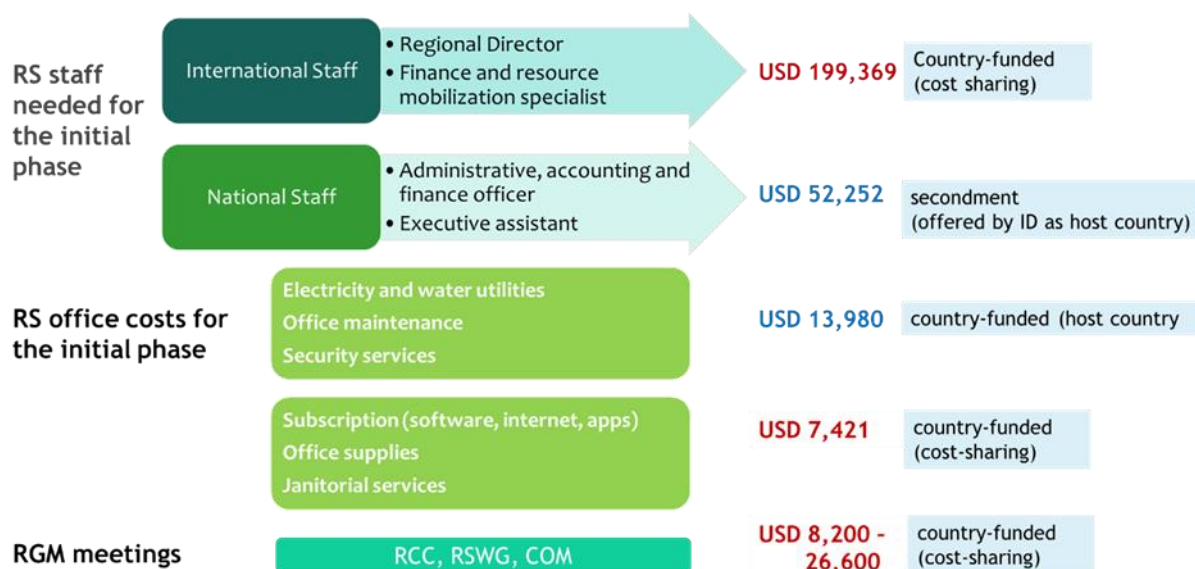


Figure 3. Bridge Financing for the RGM

5.2.2 Feedback from the country representatives on the RGM financing strategy and bridging funding

Timor-Leste (8 August 2023)

- a) RGM arrangements
 - TL agrees with the RGM structure but requested more information on the TOR (roles and responsibilities) of each component/body.
- b) RGM financing
 - Commitments will be made as part of the Ministerial Declaration.
 - Country contribution will be discussed with the relevant ministers (of the new government), in time for the 2024 budget planning.
 - NFP/NCU posed no objection to contribute to the bridge financing and subsequent RGM financing but using assessment of country contribution based on GDP.
 - NFP requested RPMU to provide the updated RGM TORs and cost estimate for the bridge financing for the Regional Secretariat to serve as basis for TL's support, which will be discussed with the new government.
 - Initially indicated the amount of USD17,000 as doable contribution.
- c) SAP financial plan
 - The new government focuses on blue economy and fisheries, so there will be funding for the implementation of the SAP component on fisheries; NFP will prepare budget proposal to include financial support for the RGM.
 - identified similar and on-going projects (e.g., CI project on fisheries, ETP species and habitats; oil spills; plastic pollution) to complement the SAP implementation and financing
 - requested assistance in developing project proposal to access funding for SAP projects and blue economy initiatives

Papua New Guinea (10 August 2023)

- a) Recommended estimating and approving the optimal budget, and selected Option 3 (50-50) for the medium- to long-term financing of the RGM.
- b) With regards to the bridging funds for RGM, the team will fast-track the process for getting funds to support the RGM, especially for 2025-2026, and discuss this with the NFA Board (but cannot indicate yet the amount of country contribution).

Indonesia (11 August 2023)

- a) Considering the directive from the Indonesian President, Indonesia cannot commit its country contribution for ATSEA-3. Its current position is:
 - Option 1f for the interim or bridging phase: secondment of staff and in-kind contribution
 - There is a need to find other financing sources considering that the GEF process is slow and complicated.
 - SDE (fisheries resources directorate) is running a big project with funding from GEF-6, FAO, World Bank and USAID. Check if collaboration opportunities can be

tapped for ATSEA-3. The World Bank loan is around USD200 million – check if there would be available project and financing for ATS.

- b) Check other arrangements for the interim or bridging phase.
- SSME arrangement and the MOU on the Tripartite Agreement.
 - SSME did not have a regional secretariat.
 - The subcommittees were headed by each country. This may be more applicable to the establishment of the RSWG, if there will be sub-working groups.
 - The SSME got funding from ADB. Each country implemented its own National Plan of Action. The marine turtle protection was the only major regional activity.
 - SEAFDEC arrangement.
 - SEAFDEC is more of a technical organization and does not have management and decision-making functions. Its funding comes from ASEAN and other donor partners, e.g., USAID.
 - The Regional Director can be seconded by Indonesia, but it is open to the suggestions of other countries.
 - For seconded positions, concerns were raised if his/her work will be solely dedicated to the ATSEA activities or will it include other functions from his/her office/ministry.
 - For the ATSEA-2 equipment (laptops and printers) and office furniture, RPMU should check with UNDP about the turnover.
 - The Regional Secretariat Office can still be hosted by Indonesia. However, a **Host Country Agreement** will be needed. This will involve meetings with Ministry of Finance, auditor, Ministry of Foreign Affairs, etc. The NFP and NCU will look into the requirements and process. The Host Country Agreement is also crucial so that the current RPMU office can still be used as the interim secretariat office, otherwise, it will be subjected to auditing.
 - Likewise, the NFP and NCU of Indonesia will look into the government procedures and legal requirements for establishing the ATS Trust Fund and take into account the lessons learned from the CTI-CFF experience to avoid the long process.
- c) Moving forward, the following points were agreed on:
- Consider having a smaller Regional Secretariat. For example, get only the Regional Director/Coordinator and Administrative and Accounting Officer for the initial Regional Secretariat staff.
 - The countries can also decide to nominate their secondments for the priority secretariat positions (Regional Director/Coordinator, Resource Mobilization and Finance Specialist, and Administrative and Accounting Officer).

Recommendations:

The NFPs and NCUs of the three countries will confer with their respective senior officials about the country commitments and contributions, especially for the bridging financing and RGM operationalization, as well as accessing funding from internal and external sources for the SAP priority actions. They will also include in their respective country budget allocation the

financing of the RGM meetings, the operationalization of their national bodies (National Secretariats, NCCs, and NSWGs), and NAP implementation.

5.3 Second round of country consultations (October 2023)

5.3.1 Papua New Guinea (3 October 2023). A brief on the PNG country position on the RGM financing option, and the approved funding for the RGM operationalization (regional and national components) and NAP implementation was shared with the RPMU. PNG's contribution to finance the regional cost of the RGM (~\$65,000 per year) is based on the option of '50% equal sharing and 50% based on GDP'.

5.3.2 Timor-Leste (13 October 2023). The RGM model, Regional Secretariat organizational structure, and the costs of the RGM (Regional Secretariat staff and office costs, and RGM meetings) were presented. It was explained that the GEF funding may not become available in 2025-2026 so bridge financing from ATS country contributions would be needed to ensure continuity and smooth transition. To reduce the cost, the scaled-down Regional Secretariat and the bridge financing requirements were discussed. The commitment of PNG on the financing of the RGM was also shared, as well as the results of the discussions with Indonesia and Australia. It was requested that Timor-Leste explore the possibility of contributing an amount that would match PNG's commitment. To facilitate the request for bridge financing, a Note or Brief was requested by the NFP on the value of ATSEA to the region and Timor-Leste, benefits from RGM and SAP, and revised costs. This brief will help the NFP in convincing the minister to commit to Timor-Leste's share of the bridge financing.

5.3.3 Indonesia (16 October 2023). The reduced size of the Regional Secretariat and the bridge financing requirements were discussed. The earlier commitments of Indonesia on hosting the Regional Secretariat, shouldering the major office costs, and secondment of local/national staff positions (Administrative and Accounting Officer and Executive Assistant) were reiterated. Considering the 2014 Ministerial Declaration and Indonesia's commitment to support the Regional Director or Coordinator, Indonesia's options were to second the regional director (by a senior director-level government official) or contribute to the remuneration. For the latter option, a request will be made to increase the budget allocation for ATSEA.²⁴ It was also explained that PNG has already made a commitment to contribute \$65,000 for the RGM and PEMSEA has signified its support during the bridging phase. Similar to Timor-Leste, there was a request for the benefits of ATSEA, RGM and SAP to facilitate the discussions with the decision-makers and get agreement on Indonesia's commitments and country contribution.

²⁴ The country contribution and requested budget allocation will be consulted with the Ministry of Finance and Ministry of Foreign Affairs and will be confirmed by second quarter of 2024.

- 5.3.4 Australia.** There were discussions held on the possibility of Australia to second the Resource Mobilization and Finance Specialist. Australia can only make concrete commitments after the signing of the Ministerial Declaration in 2024.
- 5.3.5 Support from PEMSEA.** A meeting was held with the Executive Director of PEMSEA on 10 October 2023. The results of the country consultations on the RGM financing strategy and current country positions on the bridge financing, and the potential support from PEMSEA during the bridging phase were discussed. The Executive Director expressed continued support from PEMSEA as a future Strategic Partner in the next phase of ATSEA. As a potential partner, PEMSEA can allocate \$20,000 for one year, and keep on managing the funds (e.g., country contributions) until the ATS Regional Fund is set up as well as hosting the ATSEA's knowledge portal during the bridging phase, subject to the concurrence of the four countries. This offer is contingent on the commitments of the countries to support the RGM, and certain conditions²⁵.
- 5.3.6 Policy brief.** Due to the request of Timor-Leste and Indonesia, a policy brief was prepared to explain the (a) key achievements of ATSEA and its value added to the region and countries, (b) need to continue ATSEA, and address the priority transboundary concerns that are focused on by the updated SAP, (c) costs of RGM and SAP, (d) benefits from operationalizing the RGM and implementing the SAP, (e) revised cost-benefit analysis (wherein the costs include both the RGM costs and the cost of implementing the priority regional activities of SAP), and (f) bridge financing requirements for the RGM and SAP, and options on the financing sources and mechanisms. The policy brief shows that the RGM and SAP are economically viable and will generate environmental and economic benefits that are much higher than the costs involved in operationalizing the RGM and implementing the SAP.

5.4 Regional consultations on the RGM bridge financing

A regional consultation meeting was held on 30 October 2023 to discuss the country commitments to support the RGM during the bridging phase while waiting for the approval of GEF financing. The commitments and other remarks made during this meeting are shown in **Table 8**.

²⁵ PEMSEA's offer is contingent on the countries' agreement to retain the current regional project manager as an interim regional coordinator for the bridging phase to ensure seamless transition and continuity of the ongoing efforts.

Table 8. Country commitments for the bridge financing

ATS Country	Commitment	Remarks
Australia	Cannot make any commitment before the Ministerial Declaration of agreement has been signed by the four countries.	<ul style="list-style-type: none"> • Preference for external financing to support initial activities on the ground and build confidence in the RGM. • Cannot second a resource mobilization specialist from the department since the position is more applicable to NGOs, not government. • Possible human resource support in the future. • Establish a regular ATS Regional Fund or other less costly alternative during the initial phase, including collaboration with other organization, instead of a Regional Trust Fund, which may take time and money to set up and operate.²⁶
Indonesia	<ul style="list-style-type: none"> • hosting the Regional Secretariat and shouldering the office costs (\$13,980) • secondment of national staff (\$52,252) • hosting of two RGM meetings per year (cost of venue and meals) – meetings to be held within Indonesia. 	<ul style="list-style-type: none"> • Options for Regional Director: <ul style="list-style-type: none"> ➢ Second a senior or director level (if other countries agree) ➢ co-finance the ATS Regional Director: for discussion with the Ministry of Finance and Treasury, to be confirmed in first quarter of 2024 • Will also consult with the Ministry of Foreign Affairs on the hosting of the secretariat and secondment/co-financing of regional director • It is difficult to commit its cash contributions given the presidential directive.
Papua New Guinea	\$65,000 per year (for 2025-2026)	
Timor-Leste	\$50,000 per year (for 2025-2026)	<ul style="list-style-type: none"> • will include this amount in the 2024 National Budget so it will be available in 2025 (RPMU to remind MAF)

²⁶ As a programme-based regional mechanism and future establishment as an intergovernmental organization, ATSEA should have its own regional fund in the long term, instead of relying on other partners to do its fund management. The regional trust fund may still be examined as a fund management mechanism in the future considering its advantages, disadvantages, costs, benefits, and lessons learned from other regional programmes (e.g., COBSEA, NOWPAP, CTI-CFF, etc.).

Under the above scenario, it is possible to continue the operationalization of the RGM during the bridging phase and avoid delays towards the next phase. The country commitments from Indonesia, Papua New Guinea, and Timor-Leste and PEMSEA’s potential contribution will be able to cover the cost of the Regional Director, two national staff (Administration and Accounting officer, and an executive assistant), Regional Secretariat office costs, and the RGM meetings. The remuneration of a Finance and Resource Mobilization Specialist, however, will not be covered. In this case, the Regional Director may have to do the resource mobilization activities during the bridging phase. (This was also recommended during the Intersessional RSC Meeting). The other option is to get one of the countries to second this position as this position is crucial in view of the need to get external financing to supplement the country contributions.

Bearing in mind the recommended scaling down of the Regional Secretariat and the possible country contributions during the bridging phase, the three-year working budget has been re-estimated as shown in **Table 9**. This budget was presented during the country consultations.

Table 9. Revised Three-Year Working Budget

First year (2025)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+ NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	273,022						273,022
1. Core staff and administrative staff	251,621						
2. Office costs	21,401						
B. REGIONAL GOVERNANCE MEETINGS	8,200	3,250	8,690	8,890	8,290	8,890	46,210
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
	281,222						319,232
Second year (2026)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+ NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	273,022						273,022
1. Core staff and administrative staff	251,621						
2. Office costs	21,401						
B. REGIONAL GOVERNANCE MEETINGS	26,600	5,490	16,635	16,835	15,935	16,835	98,330
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)		560	4,030	4,130	3,930	4,130	
	299,622						371,352
Third year (2027)							
	REGIONAL COST	NATIONAL COST					TOTAL (REGIONAL+ NATIONAL)
		Cost of venue, meals and supplies	Travel cost (airfare, DSA, accommodation)				
			Indonesia	Papua New Guinea	Timor-Leste	Australia	
A. REGIONAL SECRETARIAT	459,660						459,660
1. Core staff and administrative staff	420,259						
2. Office costs and audit costs	39,401						
B. REGIONAL GOVERNANCE MEETINGS	26,600	4,930	12,605	12,705	12,005	12,705	81,550
1. RCC : once a year rotating per country (in person/virtual/hybrid)	8,200	3,250	8,690	8,890	8,290	8,890	
2. RSWG: At least one meeting per year - back to back with RCC (in person/virtual/hybrid)	18,400	1,680	3,915	3,815	3,715	3,815	
3. COM: every two years, rotating per country (in person/virtual/hybrid)	-						
	486,260						541,210

5.5 Pre-RSC Meeting (13 November 2023)

The consolidated results of national and regional consultations were presented in the Pre-RSC Meeting. The following were the key points discussed:

- **Country contributions for the bridge financing for two years:** The countries confirmed the commitments made during the Regional Consultation Meeting held on 30 October 2023.
- **Potential strategic and collaborative partnerships**
 - Offer of support from PEMSEA: The countries agreed to getting the co-financing support (US\$20,000) from PEMSEA and having PEMSEA as the interim fund manager during the bridging phase, subject to formal endorsement of the countries and signing of legal documents and agreements.
 - Australia recommended inviting potential strategic partners early on and exploring possible collaborative and co-financing arrangements, especially for the SAP implementation.
- **Government processes and requirements to secure national/internal funds (country contributions) & external financing by Q4-2024:** The four countries will send the information on securing and transferring the funds in order for the RPMU to prepare and start the process for the smooth turnover by last quarter of 2024.
- **Fund management during the bridging phase:** There was agreement in partnering with PEMSEA for the fund management during the bridging phase subject to the formal endorsement of the countries and signing of agreements and legal documents.
- **Regional Director:** Recognizing the value of continuity, the countries were amenable to the suggestion of PEMSEA for the continued engagement of the current Regional Project Manager (Dr. Handoko Adi Susanto) as interim Regional Director, with support coming from the contributions of Papua New Guinea and Timor-Leste and co-financing from PEMSEA.
- **Finance and Resource Mobilization Specialist:** This is essential to be able to access external financing in light of the limited resources of the countries. Considering the amount that could be covered by the country contributions and co-financing from PEMSEA, the position of a Finance and Resource Mobilization Specialist will not be covered. In this case, the Regional Director may have to do the resource mobilization activities during the bridging phase (as recommended during the Intersessional RSC Meeting).
 - Australia suggested getting a staff to support the Regional Director and assist with the work on the external financing applications and developing strategic or collaborative partnerships arrangements with other programmes (e.g., CTI-CFF), and development aid agencies. A reframing of the position into a *Finance and Strategic Partnerships Specialist* was also recommended since resource mobilization connotes fund-raising activities like the work of NGOs.
 - The possibility of secondment by Indonesia was explored. Instead of secondment of Regional Director, Indonesia was requested to look into the potential secondment of the Financing and Resource Mobilization Specialist. Indonesia will explore finding someone

from MMAF to second this position or hiring someone, but this will entail additional process and cost.

- **Other actions**
 - **Application for GEF financing:** The endorsement of the Updated SAP, signed by the Ministers, is crucial for moving forward with the GEF application.
 - **Determining other funding sources:** The countries were asked to look for ongoing projects or projects in the pipeline that have similar or related activities to the SAP and delve into possible collaborative partnerships. Other development banks and aid agencies may also be approached for technical assistance for the implementation of some priority activities of the SAP.

Table 10 shows the results of the discussion and the commitments and recommendations made by the four ATS countries for the bridging phase (2025-2026):

Table 10. Results of the Pre-RSC Meeting

Country	Country commitments (co-financing)	Regional Director	Finance and Resource Mobilization Specialist	Fund management
Australia	<ul style="list-style-type: none"> • Cannot make any commitment before the Ministerial Declaration • RPMU should take note of the budget cycle in Australia in parallel to the Ministerial Forum and signing of Ministerial Declaration. • Recommended to invite Strategic Partners early on in the process to explore projects that would align with the SAP starting from the bridging phase. 	<ul style="list-style-type: none"> • Agrees with the other countries for the continuity of current RPM, Dr. Handoko Adi Susanto, as Interim Regional Director to facilitate the smooth transition to the next phase • Suggested to change the position title to Executive Director 	<ul style="list-style-type: none"> • A staff to support the work on external financing applications would be needed to assist the Regional Director. • Instead of Finance and Resource Mobilization Specialist, the position should be reframed and called <i>Finance and Partnerships Specialist</i> since the work does not only involve getting grants from philanthropies. • Early participation of potential Strategic Partners should be initiated. Collaborative partnership arrangements may be pursued to help in financing the SAP implementation. 	<ul style="list-style-type: none"> • There is no problem in partnering with PEMSEA for the fund management, but there should be an agreement (e.g., MOU) to transfer funds from Australian government to PEMSEA for the bridge financing of the next phase of ATSEA.

Country	Country commitments (co-financing)	Regional Director	Finance and Resource Mobilization Specialist	Fund management
Indonesia	<ul style="list-style-type: none"> Confirmed the commitments to host the Regional Secretariat (and shoulder the office costs), second two national staff positions (Administrative and Accounting officer, and executive assistant, and host two RGM (RCC and RSWG) meetings that will be held in Indonesia (shoulder the cost of venue and meals). Will secure the funds for these commitments. 	<ul style="list-style-type: none"> Agreed to have Dr. Handoko Adi Susanto as the interim Regional Director during the bridging phase. 	<ul style="list-style-type: none"> Needs more information on the criteria for the Finance and Resource Mobilization Specialist. (RPMU will re-share the TOR.) Two options were offered: (a) look for someone in MMAF; (b) hire someone, but this requires consultation within MMAF since this will involve hiring process, and additional cost. 	<ul style="list-style-type: none"> Agreed for PEMSEA to support fund management during the bridging phase, but there should be RSC endorsement or legal agreement (subject to SDP approved process).
Papua New Guinea	<ul style="list-style-type: none"> Affirmed the \$65,000 annual contribution, based on the option of 50% equal sharing and 50% based on GDP. The amount can be used by the Regional Secretariat for any item in the RGM costs and budget. The process for securing and transferring funds will be discussed with the Ministry of Foreign Affairs and NFA. Further details will be relayed to RPMU. 	<ul style="list-style-type: none"> Confirmed PNG's commitment to co-financing the Regional Director position. Agreed with having Dr. Handoko Adi Susanto as the interim Regional Director during the bridging phase. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> In view of the current work of PEMSEA in facilitating some ATSEA activities in PNG, agreed that PEMSEA can continue to support the fund management during the bridging phase.
Timor-Leste	<ul style="list-style-type: none"> Affirmed the \$50,000 annual contribution for 2025-2026. MALFF will include this in the budget discussion in 2024 for use in 2025. 	<ul style="list-style-type: none"> Confirmed Timor-Leste's commitment to co-financing the Regional Director position. Agreed to have Dr. Handoko 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Considering the work of PEMSEA in supporting activities in Timor-Leste, agreed that PEMSEA can support the fund management during the

Country	Country commitments (co-financing)	Regional Director	Finance and Resource Mobilization Specialist	Fund management
		Adi Susanto as the interim Regional Director during the bridging phase.		bridging phase, subject to legal agreements.

5.6 5th RSC Meeting (21-22 November 2023)

At the 5th RSC Meeting, which was held on 21-22 November 2023 in Jakarta, Indonesia, the four ATS countries endorsed the *RGM Investment and Financing Strategy and Plan*, including:

- commitments of Indonesia, Papua New Guinea, and Timor-Leste for the bridge financing
- offer of PEMSEA on co-financing support (US\$20,000 for one year), fund management, and knowledge portal during the bridging phase
- continuation of the current Regional Project Manager to be the interim Regional Director.

Indonesia will undertake actions to find ways to be able to get support for the *Finance and Partnerships Specialist*. Australia mentioned several programs and initiatives that can contribute to the SAP implementation and will help in the identification of strategic partners and development of bilateral agreements.

It was agreed to change the title of the Regional Director to *Executive Director*, Finance and Resource Mobilization Specialist to *Finance and Partnerships Manager*, and the Technical Officer to *Senior Programme Lead*. The four countries also agreed to undertake the following subsequent steps for the mainstreaming of funding allocation:

- RPMU will organize the **National Workshops on Mainstreaming** to discuss the government process and requirements to secure and mainstream the funding allocation to support the RGM, especially during the bridging phase, and to set up the regional fund. It was recommended to make the fund management system simple. **(January 2024)**
- The consultant will prepare the Mainstreaming Report on the results of the national workshops, and recommendations **(31 January 2024)**
- The RPMU will share the draft report to the countries and get their feedback by **15 February 2024**.
- The consultant will finalize the Mainstreaming Report, addressing the comments and incorporating the inputs from the countries **(29 February 2024)**
- The countries will implement the agreed recommendations and finalize the fund allocation arrangements. **(March to June 2024)**
- Conduct of the **Ministerial Forum** for the adoption of the RGM, updated SAP, and financial plans **(August 2024)**
- Operationalization of the RGM, and turnover to the Regional Secretariat and National Secretariats **(September to December 2024)**

ANNEX 1: Marine Ecoregions, Large Marine Ecosystems, and Regional Seas Programs: Review of Financing and Institutional Arrangements²⁷

Introduction

International ocean governance is about managing the world's oceans and their resources together so that they are healthy and productive, for the benefit of current and future generations.²⁸

Oceans are highly dynamic and interconnected but are facing intense pressure from human activities. With around two-thirds of the world's oceans located in areas beyond the national jurisdiction of states, the need to coordinate and collaborate across boundaries cannot be overlooked. Overfishing and illegal activities, habitat loss, pollution from land- and sea-based sources, invasive species, and climate change are threatening our ocean's health and productivity. These challenges make it imperative for States and their various stakeholders to take shared responsibility in addressing the complex and transboundary issues affecting the world's marine ecosystems. It is essential for governments to agree on commitments and common programs, in consultation with other stakeholders. Furthermore, essential institutional arrangements, corresponding and enabling national policies and laws, and financing mechanisms are critical in order to implement and sustain such agreements and commitments.

This report aims to: (a) describe in brief the financing and institutional arrangements in selected regional ocean governance mechanisms, and (b) provide a basis for the financing options that would support the regional governance mechanism and the updated Strategic Action Programme in the Arafura-Timor Seas region. The key features of the financing and institutional arrangements in nine regional mechanisms are presented in this report. Other regional mechanisms and their supporting conventions or agreements and financing modalities are included in **Table 16**.

United Nations Convention on the Law of the Sea (UNCLOS)

²⁷ Research assistance from Danniel Figueroa.

²⁸ European Commission. n.d. "International ocean governance" Ocean and Fisheries webpage. https://oceans-and-fisheries.ec.europa.eu/ocean/international-ocean-governance_en. Accessed on 15 May 2023.

UNCLOS is a complex, comprehensive framework that covers numerous aspects of States' rights and obligations concerning the world's oceans. It establishes a comprehensive legal regime for seas and oceans, including rules governing all uses of the oceans and their resources. It also includes the States' rights and obligations with respect to certain defined maritime zones off their coastline, especially obligations for States to conserve and manage living marine resources, protect and preserve the marine environment, and promote and facilitate marine scientific research. It also includes an extensive dispute settlement mechanism.

Large Marine Ecosystem (LME) Approach

According to Sherman (2019): “Large Marine Ecosystems (LMEs) are located around the margins of the continents. The world's 66 LMEs are defined by ecological criteria. They produce 75% of global marine fish catches and contribute an estimated \$12.6 trillion annually to the global economy. Following a seminal LME symposium at the 1984 annual meeting of the American Association for the Advancement of Science, an ecosystem based “LME approach” has emerged around the globe for supporting management of the world's LMEs based on five indicator suites (productivity; fish and fisheries; pollution and ecosystem health; socioeconomics; and governance) of changing ecological conditions. The “LME approach” operationalizes United Nations policy for sustainable development of the oceans.”

The LME Approach for the assessment and management of coastal and ocean ecosystem services combines the legal principles of UNCLOS with a multi-sectoral and multidisciplinary strategy for assessing and managing the changing state of the world's 66 LMEs.²⁹ Typically, an LME extends beyond the boundaries of two or more countries, often facing multiple resource use conflicts. Continued depletion and degradation of the ocean and its coastal areas are most often attributed to failures in governance.

Part of the Arafura-Timor-Seas lies within the area designated as the North Australian Shelf (LME 39), while the larger part is contained within the Indonesian Seas (LME 38).³⁰ The ATS also borders the Coral Triangle.

Over the last three decades, the Global Environment Facility's (GEF) International Waters focal area has utilized the LME approach. GEF developed the Transboundary Diagnostic Analysis-Strategic Action Programme (TDA-SAP) assessment and strategic planning processes to help countries work together in analyzing scientific information, setting priorities for management and action, and establishing governance regimes. However, there is not a ‘one size fits all’ approach. Governance in LMEs occurs at a variety of scales – local, national, and regional. The following are the approaches that have developed for the LME governance:

²⁹ Sherman, K. 2019.

³⁰ UNESCO-IOC/GEF/UNEP TWAP 2015.

- a. Creation of a specific governance mechanism. (Example: Benguela Current Commission (BCC) for the Benguela Current LME as a permanent inter-governmental organization, progressing from GEF/UNDP funded program to a convention and commission.)³¹
- b. Establishing an LME Commission within the framework of an existing body. (Example: Guinea Current Commission created through a protocol to the Abidjan Convention.)
- c. Cooperative Governance by which new or existing international organizations are given responsibility to develop and implement a Strategic Action Plan in partnership with one or more regional bodies. (Example: CTI-CFF, PEMSEA)

In each of the LMEs and regional fisheries programs that the United Nations Development Programme (UNDP) supports, the TDA has been conducted to identify, characterize, and prioritize the marine environmental issues and challenges based on available data and scientific information. The TDA then informs multi-country negotiation of a regional SAP of agreed policy, regulatory and institutional reforms, and investments, which are required to move the LME towards sustainable use.

Regional Seas Programme³²

The Regional Seas Programme (RSP) has been the most important regional mechanism of the United Nations Environment Programme (UNEP) for conservation of the marine and coastal environment since its establishment in 1974. The Regional Seas Programme is an action-oriented programme that implements region-specific activities, bringing together all relevant stakeholders including governments, scientific communities, and civil societies to address the accelerating degradation of the world’s oceans and coastal areas through a “shared seas” approach. RSP activities are typically organized through Action Plans, which can become legally binding if accompanied by a Convention establishing a legal framework for the programme.

The Regional Seas Conventions and Action Plans (RSCAPs) provide inter-governmental frameworks to address the degradation of the oceans and seas at a regional level. These Multilateral Environmental Agreements (MEAs) are governed by their own intergovernment meetings (IGMs) of the Contracting Parties. Many have embraced the ecosystems approach to managing marine resources and have protocols on protected areas, marine litter, combating oil spills, pollution from ships, transboundary movement of waste including their disposal, integrated coastal zone management (ICZM) and land-based sources of pollution (LBS Protocol) through which disaster reduction, climate change adaptation and sustainable consumption and production issues can be addressed. The focus is on promoting regional oceans governance to deliver the global oceans agenda (SDG 14) and respond to emerging issues, new policies, and initiatives, such as the Blue Economy.

³¹ Degger, *et al.* 2021.

³² UNEP. n.d. Regional Seas Programme.

UNEP's Regional Seas Programme consists of three types of Regional Seas Conventions and Action Plans (RSCAPs), across 18 different regions:

- a. **UNEP-administered** – These RSCAPs have been established and are directly administered by UNEP who provides Secretariat functions, managing of finances and technical assistance. UNEP administers 5 regional seas conventions and 2 action plans. These are: Caribbean Region, East Asian Seas, Eastern Africa Region, Mediterranean Region, North-West Pacific Region, Western Africa Region. The Regional Office for Europe administers the Tehran Convention (Caspian Sea).
- b. **Non-UNEP administered** – These RSCAPs have been established under the auspices of UNEP, but another regional body provides the Secretariat and administrative functions. These are: Black Sea Region, North-East Pacific Region, Red Sea and Gulf of Aden (PERSGA), ROPME³³ Sea Area, South Asian Seas, South-East Pacific Region, Pacific Region.
- c. **Independent** – These RSCAPs have not been established by UNEP but cooperate with the Regional Seas Programme and attend regular meetings. These are: Arctic Region, Antarctic Region, Baltic Sea, and North-East Atlantic Region.

Activities across regions are organized through Regional Action Plans for data collection and sharing best practices, addressing capacity needs (including of women, youth, and indigenous peoples), mobilizing financial and technical resources to support research and implementation, as well as monitoring and evaluation of ocean conditions and policy responses.³⁴

Treaty-based Regional Fisheries Management Organizations (RFMOS)

The RFMOs are the international organizations regulating regional fishing activities in the high seas. They have mandates to adopt legally binding conservation and management measures based on the best scientific evidence. An RFMO is an international body made up of countries that share a practical and/or financial interest in managing and conserving fish stocks.

I. Non-UNEP-administered Marine Ecoregions, Large Marine Ecosystems, and Regional Seas Programmes

³³ ROPME – Regional Organization for the Protection of the Marine Environment. The ROPME sea area is surrounded by the eight Member States of ROPME: Bahrain, I.R.Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

³⁴ UNEP. 2022.

1. Coral Triangle Initiative for Coral Reefs, Fisheries, and Food Security (CTI-CFF)

The Coral Triangle is the most diverse and biologically complex marine ecoregion on the planet. It is one of the most important reef systems in the world, covering 5.7 million km² across six countries. The CTI-CFF is a multilateral collaborative partnership involving six countries that undertake a program of regional cooperation to sustainably manage coastal and marine resources in the region. The CTI-CFF is distinct from other cooperative arrangements in the region because it was established through the signing of a Leaders' Declaration by president and prime ministers of the participating countries rather than having been formed through the actions of the UNEP, UNDP, FAO, or other UN agencies.³⁵

1.1 Countries Involved

- a. Indonesia
- b. Malaysia
- c. Papua New Guinea
- d. Philippines
- e. Solomon Islands
- f. Timor-Leste

1.2 Funding Mechanism³⁶

1.2.1 Types of Funds

- i. The Secretariat shall establish fund as follows:
 - a. **General Fund** – For the income and expenditure of the Secretariat.
 - 1) Contributions paid by Parties and miscellaneous income to finance general expenditure.
 - 2) Advances made by Parties shall be carried to the credit of the Parties, which have made such advances.
 - b. **Temporary Restricted Fund**
 - 1) *CTI-CFF Funds* – Grants/Donations from CTI Development Partners.
 - 2) *Special Funds* – Grants/Donations from donors other than CTI Development Partners.
 - 3) *Surplus Funds* – Any cash surplus at the close of a financial year

³⁵ Greenberg, *et al.* 2021.

³⁶ Coral Triangle Initiative. 2018.

- ii. The Secretariat shall make separate bank accounts for each type of fund.
- iii. The CTI-CFF Funds and Special Funds may be established by the Secretariat for the purpose of receiving funds and making payments for purposes not covered by the regular budget of the Secretariat.

1.2.2 Funds of the Secretariat³⁷

- i. The funds of the Secretariat shall include:
 - 1) **Assessed contributions by the Parties** in accordance with *Schedule 1 of the Financial Regulations*;
 - 2) **Voluntary contributions** made by Parties, CTI Partners or other entities; and
 - 3) **Any other funds** to which the Secretariat may become entitled or may receive, including income from investments.

All income other than contributions to the budget shall be classified as *Miscellaneous Income* and credited to the General Fund.

- ii. The CTI Council of Ministers (COM) shall adopt and amend, as required, by consensus, Financial Regulations for the administration of the Secretariat and for the exercise of its functions.

1.2.3 Budget of the Secretariat

The Executive Director shall draft the proposed *Budget of the Secretariat* in accordance with the Financial Regulations for adoption by the CTI COM. The proposed Budget shall indicate (a) which of the administrative expenses of the Secretariat are to be financed from the Assessed Contributions referred to in Schedule 1 of the Financial Regulations, and (b) which such expenses are to be financed from any trust or special funds received. The budget of the Secretariat shall be adopted by the CTI COM by consensus.

According to *Section 6.2 Policies of Financial Policies and Procedure Manual*, the Executive Director shall prepare a three (3) consecutive years budget consisting of a draft annual budget for the ensuing year comprising estimates of receipts by the Secretariat from all sources and of expenditures by the Secretariat, projected budget for the next second consecutive year and forecast budget for the next third consecutive year. The projected and forecast budgets for the second and the third consecutive years are indicative budgets that shall be prepared based on the best information and assumption available at the time of the annual budget preparation and will be reviewed and re-evaluated on the

³⁷ Coral Triangle Initiative. “The Agreement on the Establishment of the Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security.”

next budget cycle. Expenditures include but are not limited to operating expenses of the secretariat, salary and benefits, budget expenses, capital expenditure, and appropriation.

The total annual budget calculation will be divided into two (2) sections:

- a. General budget for expenses and activities funded by Country Contributions
- b. Budget for activities funded by grant(s) from partner(s).

1.3 Country Contribution

Annual contributions shall be assessed in terms of a value calculated based on the Special Drawing Rate (SDR) of the International Monetary Fund and paid in United States dollars.

Parties will contribute to the **General Fund of the Secretariat** on the following basis:

- a. The total amount to be contributed will be determined by the CTI COM based on the draft annual budget provided by the Secretariat.
- b. Sixty percent (60%) of the amount identified in item (a) above shall be contributed by each of the Parties in equal shares.
- c. The remainder of the total amount identified in item (a) above shall be divided between the Parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all Parties.
- d. The Secretariat shall also develop forecast contributions for the next two (2) consecutive years after the ensuing year based on the projected and forecast budget.

1.4 Institutional Arrangements

- a. The **CTI Council of Ministers** (CTI COM) at the Ministerial Meeting shall be the principal decision-making body of the CTI-CFF. Each Party to the *Agreement on the Establishment of the Regional Secretariat of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security* (CTI-CFF Party) shall be represented by the Ministers responsible for CTI-CFF matters in that Party. The CTI COM shall meet every 2 years, or at such other intervals as may be resolved by the meeting.
- b. The **CTI Committee of Senior Officials** (CTI CSO) shall consist of Senior Officials of each of the CTI-CFF Parties. The function of the CTI CSO will be to make such decisions and give such directions to the Executive Director as will ensure, especially in the interval between Ministerial Meetings, that the business of the CTI-CFF is carried out efficiently and in accordance with the decisions of the CTI COM.
- c. **Regional Secretariat.** The staff of the Secretariat shall comprise of the Executive Director and two Deputy Executive Directors. The staff of the Secretariat may also include Professional Staff and Support Staff as may be required to fulfill the functions of the

Secretariat. The Secretariat has legal personality within the scope of its functions and as authorized by the Parties, may do or carry out any or all of the following:

- Enter into agreements.
- Conclude contracts.
- Acquire and dispose of movable and immovable property in the territory of the Parties in accordance with the laws and regulations of the Parties.
- Institute and be a party to legal proceedings.

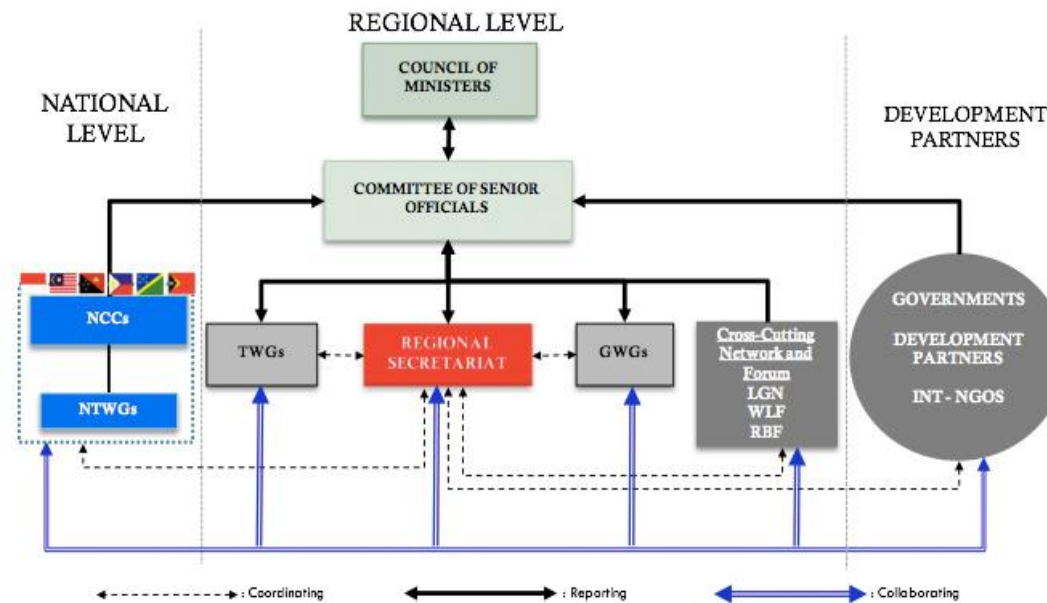


Figure 4. CTI-CFF Structure³⁸

³⁸ CTI-CFF. (n.d.) CTI-CFF Structure. Downloaded from <https://www.coraltriangleinitiative.org/cti-cff-structure>. Accessed 8 May 2023.

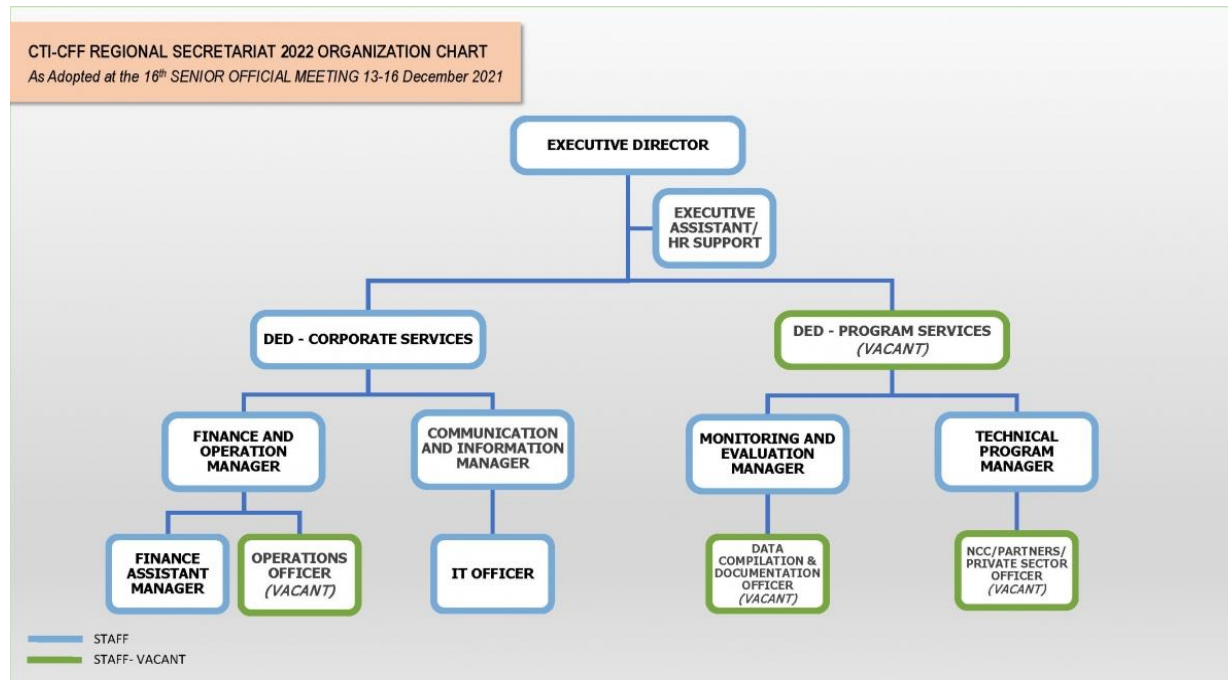


Figure 5. CTI-CFF Regional Secretariat Organizational Chart³⁹

2. Sulu-Sulawesi Marine Ecoregion (SSME)^{40,41}

The SSME covers an area of about 1 million km² and straddles three countries: Indonesia, Malaysia, and the Philippines. In 2001, the three countries formulated a biodiversity conservation vision for the SSME, involving a network of 58 priority conservation areas under various forms of management and/ or protection to be established over a period of 50 years. To articulate the vision and ensure the effective protection and sustainable development of the SSME, the three governments developed the **Ecoregion Conservation Plan (ECP)** in 2003.

³⁹ Ibid.

⁴⁰ Alava, *et al.* 2018.

⁴¹ Asian Development Bank. 2011.

The governments demonstrated their commitment to implementing the ECP and establishing a governance structure for the SSME by signing a tri-national memorandum of understanding (MOU) on 13 February 2004. The complete ratification of the MOU 2006-2016 by the governments in February 2006 provided the basis for the creation of the Tri-National Committee for the SSME. The Tri-National Committee established three subcommittees to implement activities under three priority themes: the Subcommittee on Threatened, Charismatic, and Migratory Species led by the Government of Indonesia; the Subcommittee on MPAs and Networks led by the Government of the Philippines; and the Subcommittee on Sustainable Fisheries led by the Government of Malaysia (**Figure 3**). Each subcommittee prepared a work plan aligned with ECP implementation.

2.1 Countries Involved

- a. Philippines
- b. Indonesia
- c. Malaysia

2.2 Funding mechanism and country contribution⁴²

The three countries agreed that funds can be sourced from governments, development partners, and private sources/individuals. Government funds are best sourced from government ministries, e.g., fisheries, environment, etc. The ECP has spurred the development of three comprehensive action plans for 2010-2012. These plans are implemented by the three subcommittees and guided by the SSME's Tri-National Committee. **Table 11** shows the cost of implementation of the Comprehensive Action Plan on Sustainable Fisheries, by budget item and outcome. **Table 12** shows the cost for each outcome, for each country. The total cost of implementing all the strategies for the SSME over four (4) years is \$154.39 million.

Table 11. Estimated Cost of Implementation, by Budget Item and Outcome

⁴² Note: There is difficulty in obtaining information on the financing mechanisms applied as research papers, articles, and meeting reports on the country contribution and other funding sources are not available, or only contain summaries or incomplete published information.

Budget Line Item	Outcome 1: Fisheries	Outcome 2: MPAs and Networks	Outcome 3: Species	Outcome 4: Model Seascape	Outcome 5: Climate Change	Total
Personnel and staff	3,681,000	2,455,800	12,446,400	1,584,000	417,600	20,584,800
Professional services and consultants	7,391,000	2,111,000	8,598,330	2,916,000	846,000	21,862,330
Travel	3,597,135	3,725,300	3,729,285	135,000	688,450	11,875,170
Meetings and special events	11,742,225	4,726,100	20,266,505	461,250	5,463,775	42,659,855
Equipment and furniture	18,161,950	223,500	517,500	30,000	16,000	18,948,950
Printing and publications	2,189,000	272,000	2,231,500	78,000	107,250	4,877,750
Supplies	1,336,550	84,080	2,911,600	28,800	40,800	4,401,830
Seed capital and sub-grant	16,896,000	3,665,000	2,529,400	450,000	4,648,000	28,188,400
Miscellaneous	201,600	151,200	493,800	57,600	86,400	990,600
Total	65,196,460	17,413,980	53,724,320	5,740,650	12,314,275	154,389,685

MPAs = marine protected areas.

Source: Subcommittee on Sustainable Fisheries of the Sulu–Sulawesi Marine Ecoregion.

Source: ADB 2011.

Table 12. Estimated Cost of Implementation, by Outcome and Country

Outcome	Indonesia	Malaysia	Philippines	Total
1 A harmonized fisheries management regime is developed through the conduct of research, policy development, habitat restoration, and sustainable livelihoods to communities primarily dependent on fisheries are provided.	9,784,975	24,663,500	30,747,985	65,196,460
2 Effective management of existing and new MPAs and networks is supported, the full range of sustainable marine resources is maintained, and the long-term socioeconomic and cultural needs of human communities in the SSME are provided.	8,110,425	487,630	8,815,925	17,413,980
3 Effective management of feeding grounds, migratory routes, and protection of target species from overfishing and as bycatch is facilitated; MPAs and MPA networks in relation to the protection and management of target species and its habitat are designed; and implementation of best practices in habitat conservation and management is promoted.	13,575,050	16,838,745	23,310,525	53,724,320
4 The SSME is officially designated as a priority seascape in the Coral Triangle and serves as a geographic focus of investments and actions for the Coral Triangle Initiative based on a comprehensive action plan agreed on by Indonesia, Malaysia, and the Philippines.	1,913,550	1,913,550	1,913,550	5,740,650
5 Climate change mitigation and adaptation strategies are considered in the implementation of plans and programs at all levels.	3,186,850	5,038,275	4,089,150	12,314,275
Total	36,570,850	48,941,700	68,877,135	154,389,685

MPAs = marine protected areas, SSME = Sulu–Sulawesi Marine Ecoregion.
Source: Subcommittee on Threatened, Charismatic, and Migratory Species of the Sulu–Sulawesi Marine Ecoregion.

Source: ADB 2011.

2.3 Sulu-Sulawesi Seascape under CTI-CFF

The SSME is one of two seascapes highlighted in the Coral Triangle Initiative (CTI) framework, and its best practices have been adopted and fully articulated in the CTI **Regional Plan of Action** to guide future seascape work.⁴³ The SSME demonstrated that its established governance structure and partnerships contributed to funding opportunities for CTI-CFF through several programs and projects. These include the Asian Development Bank (ADB) Regional Technical Assistance (RETA) 7813 (CTI-Southeast Asia), BMU-GIZ Sulu Sulawesi Seascape Project, and USAID Oceans Project. Other funding sources (e.g., GEF International Waters and the Australian Government) came in once a clear direction on seascapes collaboration under CTI-CFF was established.

Annex 11.2 – Sources and Types of Funds for EAFM in the Sulu Sulawesi Seascape – as part of the Final Report of the Regional Sulu-Sulawesi Seascape Regional Convergence Meeting under the Coral Triangle Initiative is not available in the meeting report posted online.

2.4 Institutional Arrangements

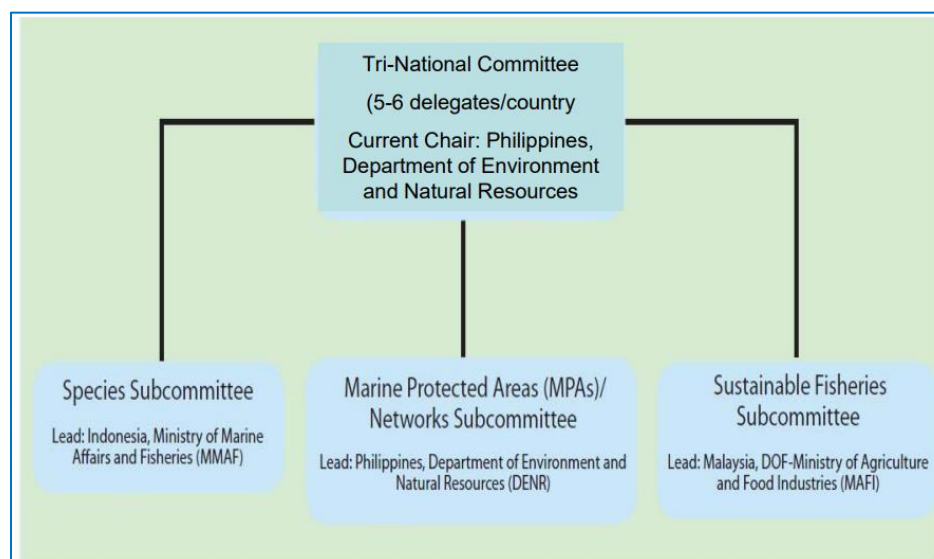


Figure 6. Governance Structure of the Tri-National Committee of the Sulu-Sulawesi Marine Ecoregion in 2006⁴⁴

⁴³ ADB 2011.

⁴⁴ PEMSEA. “Sulu-Sulawesi: sub-regional sea governance and good practices.”

3. Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA)⁴⁵

The Programme for the Environment of the Red Sea and Gulf of Aden (PERSGA) was initiated in 1974 in collaboration with the Arab League Educational, Cultural and Scientific Organization (ALECSO), and the support of UNEP as one of its Regional Seas Programmes. The Red Sea and Gulf of Aden (RSGA) Region is globally known for the uniqueness of its coastal and marine biodiversity, with high proportion of endemic species, importance for international maritime transport, and its special economic, historical, and social values to the Region. The Red Sea is increasingly being identified as a potential climate refuge for coral reefs, because of the relatively higher resilience of its corals compared to other parts of the world.

In 1982, the Programme was reinforced by the signing of the Jeddah Convention, formally titled "**Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment**". The provisions of the Jeddah Convention aim at protection of coastal and marine environment from pollution and the rational management of living marine resources. In accordance with Article III of the Jeddah Convention, the Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden – PERSGA – was established in 1995.

3.1 Countries Involved

- a. Djibouti
- b. Egypt
- c. Jordan
- d. Kingdom of Saudi Arabia
- e. Somalia
- f. Sudan
- g. Yemen.

3.2 Funding Mechanism

The PERSGA budget is funded by country contributions: the Kingdom of Saudi Arabia pays 50% of the PERSGA budget, Egypt pays 30%, and the remaining countries contribute between 3.7% and 2.5%.

⁴⁵ UNEP. n.d. Red Sea and Gulf of Aden.

Among international partners, PERSGA has collaborations with UNEP, UNDP, WB, and UNIDO, IMO, IOC-UNESCO, FAO, and IAEA.

At the regional level, PERSGA works in close cooperation with regional development organizations, such as Islamic Development Bank, ISESCO, Arab League, CEDARE and ROPME.

PERSGA has also established networking with many relevant national partners including government agencies, academic institutes, NGOs, and grassroots organizations in the member states.

There are other funding mechanisms that the Secretariat is considering (**Table 13**). These include subsidies, public transfers, grants, loans, user and polluter pay revenues, etc. In addition, there are economic instruments (taxes, charges) that can be used to increase revenues, increase efficiency gains, and remove harmful subsidies, which could free up money for environmental activities. Arrangements, such as PPPs, decentralization, etc., may present new and interesting financing options that have not previously been available.

3.3 Country Contribution

At present, the Kingdom of Saudi Arabia pays 50% of the PERSGA budget, Egypt pays 30%, and the remaining countries contribute between 3.7% and 2.5%. The share between countries reflects the inequality of income between these countries. As some member countries develop economically, it would be fair to reconsider and possibly recalculate the share of the contribution these countries provide to PERSGA.

Table 13. Possible funding sources and partnership arrangements for PERSGA⁴⁶

⁴⁶ PERSGA. 2018.

Donors	Loan Financing	Partnership Arrangements
<ul style="list-style-type: none"> - Agency Cooperation France - CIDA - DANIDA - DFID - EC - GEF - GTZ - JICA - AUSAID - SIDA - USAID - Kuwait Development Fund 	<ul style="list-style-type: none"> - African Bank - African Development Bank - Asian Development Bank - Islamic Bank For Development - Islamic development bank - World Bank 	<ul style="list-style-type: none"> - ALECSO - ASISCO - Commission for Africa - Eurasian Commission - FAO - Grid Arendal - IAEA - ICRAN - ICRI - IMO - International Foundation for Science (JFS) - King Abdul Aziz City for science and technology - Living Ocean Foundation0 - Marine Aquarian Council (MAC) - Nature Conservation (NC) America - NOAA National Organization Atmospheric Administrate - RAMSAR - SABIC - UNESCO - IUCN - SOS (Save Our Seas) - UNF - UNIDO - WWF

3.4 Institutional Arrangement

The following are the components of the organizational structure:

- a. **Contracting Parties:** The following are the parties of the Jeddah Convention: Djibouti, Egypt, Jordan, Saudi Arabia, Somalia, Sudan and Yemen.
- b. **PERSGA Ministerial Council:** PERSGA is an intergovernmental organization governed by a council of ministers responsible for environmental affairs in the seven PERSGA member states. The Ministerial Council meets every two years to approve technical and financial policies.
- c. **PERSGA National Focal Points:** include undersecretaries of ministries in charge of environment in the member states.

- d. **Secretariat:** PERSGA programs, projects, activities, and daily affairs are managed by a secretariat, which is run by a team of technical and administrative experts headed by the **PERSGA Secretary General**. The Kingdom of Saudi Arabia hosts the PERSGA Secretariat and headquarters in Jeddah.

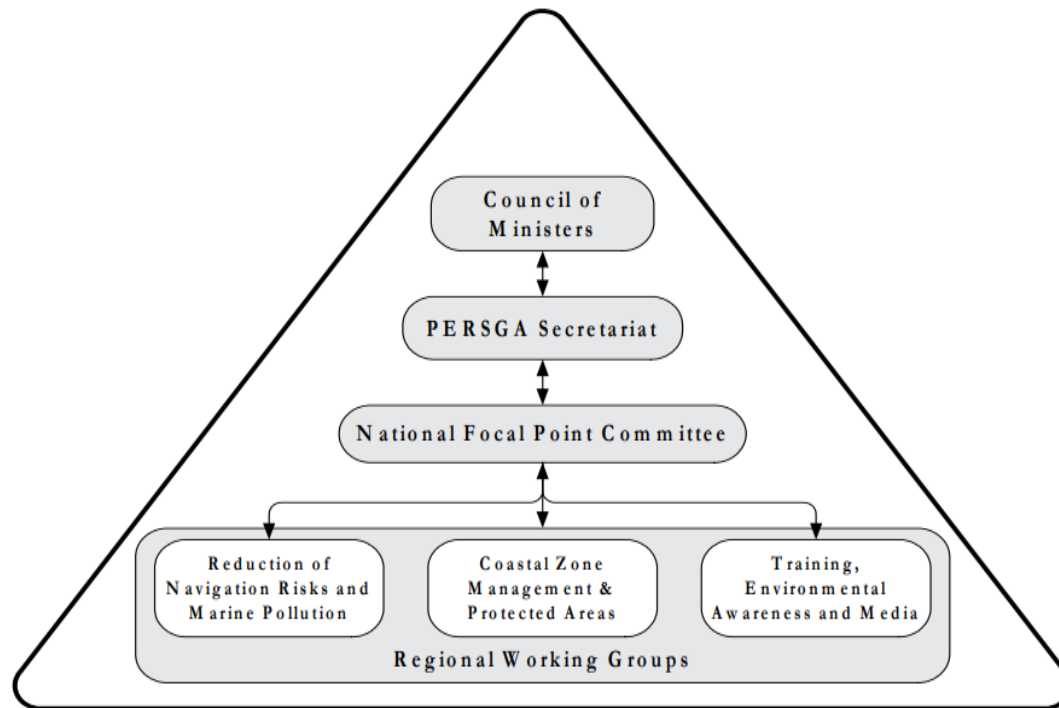


Figure 7. PERSGA Management Structure⁴⁷

4. BOBLME – Bay of Bengal Large Marine Ecosystem⁴⁸

⁴⁷ PERSGA. 2018.

⁴⁸ BOBLME. “BAY OF BENGAL.” 15 June 2007,.

The Bay of Bengal Large Marine Ecosystem (BOBLME) covers the Bay of Bengal, Andaman Sea, Malacca Strait, and the Indian Ocean. The Bay of Bengal has a distinct tropical marine ecosystem, and river drainage into the northern part of the bay, and the profusion of wetlands, marshes, and mangroves increases the productivity of nearshore fish species. BOBLME is home to 12 percent of the world’s mangroves, and 8 percent of global coral reefs.

4.1 Countries Involved

- a. Bangladesh
- b. India
- c. Indonesia
- d. Malaysia
- e. Maldives
- f. Myanmar
- g. Sri Lanka
- h. Thailand

4.2 Funding Mechanism

GEF, Norway, Swedish International Development Cooperation Agency (SIDA), National Oceanic and Atmospheric Administration (NOAA), Food and Agriculture Organisation of the United Nations (FAO), The World Bank, and 8 participating countries agreed to fund the BOBLME Project. The BOBLME project is a five-year project with a total estimated budget of US\$31 million. Total project costs distributed by funding source are:

- a. GEF (US\$12.1 million)
- b. Co-financiers, NORAD, SIDA, NOAA (US\$12.4 million)
- c. BOBLME 8 Member States (US\$5.7 million)
- d. FAO (US\$0.8 million).

GEF’s strategic funding policy requirement is 1:1 matching fund, which requires the regional governments, private sector, and civil society to be at least equal to GEF’s contribution. Each member country’s contribution stands at an equivalent amount of US\$712,500 (in kind US\$437,500 + in cash US\$275,000).

FAO operates the GEF fund as the implementing agency.⁴⁹ Total project costs distributed by funding source are:

- a. GEF (US\$12.1 million)
- b. BOBLME Member States (US\$5.7 million)
- c. Co-financiers (US\$12.4 million)
- d. FAO (US\$0.8 million).

4.3 Country Contribution

BOBLME Member States: US\$5.7 million

4.4 Institutional Arrangement

⁴⁹ BOBLME - Bangladesh. "BOBLME project formulation and funding." *Welcome To BOBLME*, http://www.boblme-bangladesh.org/bob_projects.php. Accessed 8 May 2023.

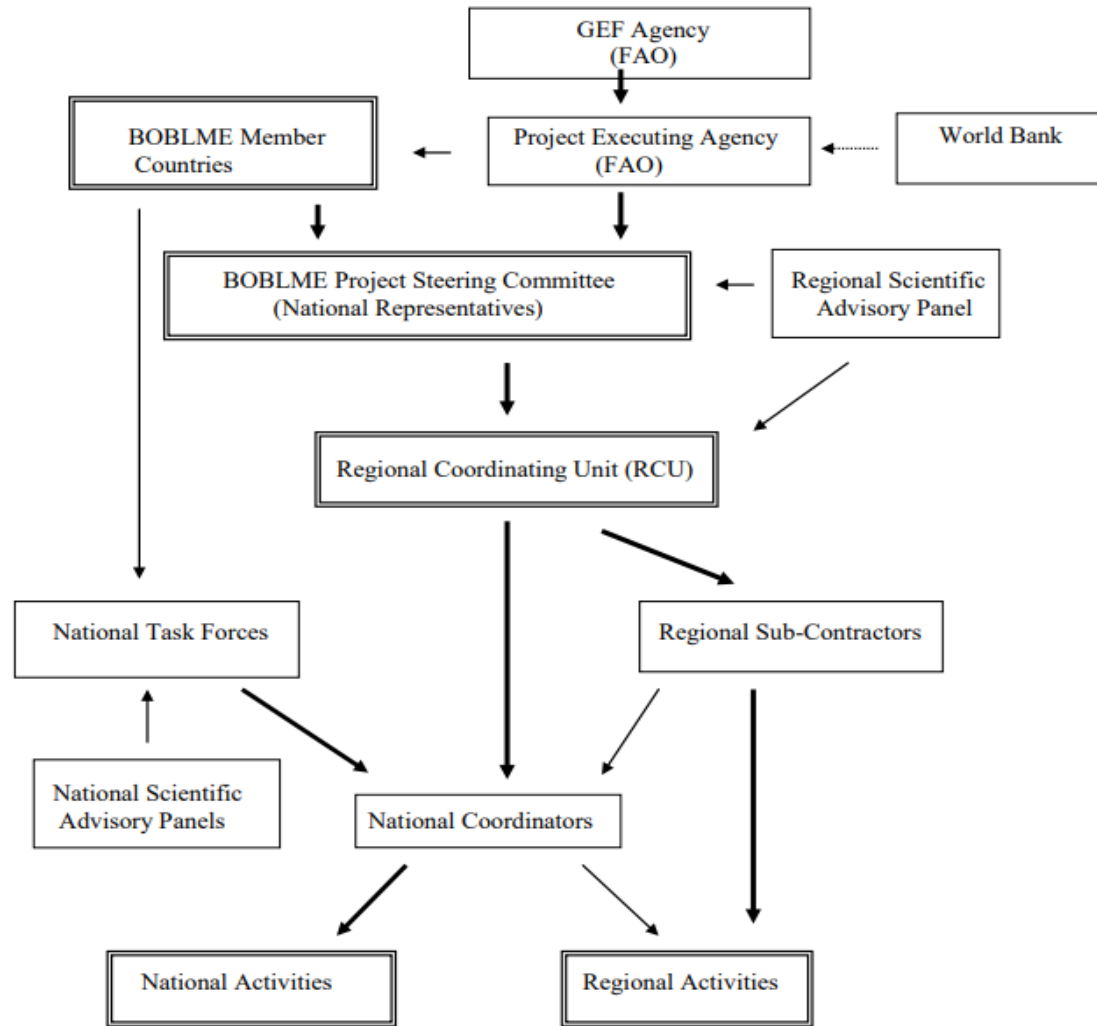


Figure 8. BOBLME Proposed Management Structure

5. Partnership in Environmental Management for the Seas of East Asia (PEMSEA)

PEMSEA originated as a GEF/UNDP Project on Marine Pollution Prevention in the East Asian Seas (MPP-EAS) in 1993-1999, with the International Maritime Organization (IMO) as the executing agency, then as the Regional Programme on Building Partnerships in Environmental Management for the Seas of East Asia in 1999-2007. During the second phase, the project focused on building intergovernmental, interagency and multisectoral partnerships in environmental management, and the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) was developed. The SDS-SEA was adopted in 2003 by 12 countries that signed the Putrajaya Declaration. Twelve non-government institutions/organizations also signed the Partnership Operating Arrangements in 2003 to become Non-Country Partners of PEMSEA. In 2006, 11 countries signed the Haikou Partnership Agreement establishing PEMSEA as the regional coordinating mechanism for implementing the SDS-SEA.

In June 2007, the GEF Council approved a 10-year project to implement the SDS-SEA. In 2009, PEMSEA acquired an international legal personality, marking PEMSEA's transformation from a GEF/UNDP-funded regional programme into a self-sustaining regional operating mechanism.

PEMSEA is known for its Integrated Coastal Management (ICM) framework. Its geographic scope involves East Asia and Southeast Asia. PEMSEA works with 11 countries in the East Asian Seas (EAS) Region, 21 Non-Country Partners, and other collaborating bodies. PEMSEA's LME coverage includes the Yellow Sea, Gulf of Thailand, Sulu and Celebes (Sulawesi) Seas, East China Sea, South China Sea, Indonesian Seas, Arafura-Timor Seas.

5.1 Countries involved

The following are the Country Partners:

- a. Cambodia
- b. PR China
- c. Indonesia
- d. Japan
- e. DPR Korea
- f. Laos
- g. Philippines
- h. Republic of Korea
- i. Singapore

- j. Timor-Leste
- k. Vietnam

Malaysia and Thailand collaborate with PEMSEA on a project basis as they were signatories of the Putrajaya Declaration 2003 and SDS-SEA.

5.2 Funding mechanism

- a. Voluntary country contributions: RO Korea, PR China, Japan, Singapore, Philippines, Timor-Leste, Indonesia
- b. Other sources of funds:
 - GEF/UNDP
 - Norwegian Ministry of Foreign Affairs
 - GIZ
 - Coca-Cola
- c. Non-Country Partners: implement their projects, which contribute to the goals of the SDS-SEA.

5.3 Country contribution

Cost-sharing Agreements (CSA) with some member countries: China, RO Korea, Japan, Philippines, Singapore, Timor-Leste, Indonesia

5.4 Institutional arrangement⁵⁰

The 2006 Haikou Partnership Agreement established PEMSEA as the region's coordinating mechanism for the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA). PEMSEA carries out this mandate through these operating mechanisms:

- a. **East Asian Seas (EAS) Congress:** Held every three years, the Congress serves as an intellectual melting pot of the various stakeholders, partners and collaborators, and is an opportunity to share knowledge and monitor the progress of the SDS-SEA programmes and projects.

⁵⁰ PEMSEA. Our Organization. <http://www.pemsea.org/about-pemsea/our-organization>

Among the various events of the Congress are a Ministerial Forum and an International Conference. The Ministerial Forum is a venue for providing policy directions and commitments related to SDS-SEA implementation, while the International Conference conducts knowledge exchange activities and discussions targeted at specific sectors' issues, while promoting priority programmes and various mechanisms and encouraging corporate responsibility by the business community.

- b. **East Asian Seas (EAS) Partnership Council:** This is a regular body that provides the policy and operational guidance as well as monitors and reviews the ongoing programs.

The Council is composed of an Executive Committee, an Intergovernmental Session, and a Technical Session.

- c. **PEMSEA Resource Facility (PRF):** PRF provides the Secretariat and technical services to support the SDS-SEA implementation. The Secretariat oversees the implementation of Council decisions, the organization of the EAS Congress, and monitoring and reporting. Technical Services unit delivers and mobilizes policy and technical advice, capacity building and technical support for sustainable coastal and ocean governance.

II. Regional Seas Programmes administered by UNEP

6. Caribbean Sea

6.1 Countries Involved

The Wider Caribbean Region, as defined under the “Cartagena Convention”, is composed of 3 Large Marine Ecosystems: Gulf of Mexico LME, Caribbean LME, and North Brazil Shelf LME. The combination of the latter two LMEs is referred to as the **CLME+** region, which is bordered by over 35 States and Territories.

The **Caribbean Environment Programme (CEP)** was established in 1981 as part of the Regional Seas Programme in recognition of the importance and value of the **Wider Caribbean Region’s** fragile and vulnerable coastal and marine ecosystems including endemic plants and animals. The Wider Caribbean Region includes 28 UN Member States that border the Gulf of Mexico, the Straits of Florida, and the Caribbean Sea out to a distance of 200 nautical miles from shore.

- a. **26 Contracting Parties of the Cartagena Convention⁵¹ and the Oil Spills Protocol:** Antigua and Barbuda, The Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, France, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Netherlands, Nicaragua, Panama, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, United Kingdom, the United States, and Venezuela.
- b. **17 Contracting Parties of the SPAW Protocol⁵²:** Antigua and Barbuda, The Bahamas, Barbados, Belize, Colombia, Cuba, Dominican Republic, France, Guyana, Honduras, Netherlands, Panama, Saint Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, the United States, and Venezuela.
- c. **15 Contracting Parties of the LBS Protocol⁵³:** Antigua and Barbuda, The Bahamas, Barbados, Belize, Costa Rica, Dominican Republic, France, Grenada, Guyana, Honduras, Jamaica, Panama, Saint Lucia, Trinidad and Tobago, and the United States.

6.2 Funding Mechanism

6.2.1 Caribbean Trust Fund

The **Caribbean Trust Fund** (CTP) was established in 1983 to provide financial support for the common costs and activities associated with the implementation of the Action Plan for the Caribbean Environment Programme (CEP). The Trust Fund now serves to provide support to the common costs and activities of the Cartagena Convention. In 2012, the document on the Financial Rules for the CTP was issued. The level of contributions should, at a minimum, guarantee the overall costs of the Secretariat.

Resources of the Caribbean Trust Fund:

- a. Contracting Parties agree to pay **voluntary** contributions to support the Trust Fund. Voluntary contributions are to be paid on an annual basis at levels agreed to at each ordinary Meeting.
- b. Contributions made to the Trust Fund are either ordinary or extraordinary. **Ordinary contributions** shall consist of the amount agreed to by each Contracting Party for each fiscal year on a biennial basis. **Extraordinary contributions** are funds provided beyond ordinary contributions and include those contributions made by Contracting Parties, non-Contracting Parties, or other donors.
- c. All ordinary contributions are due to be paid in the year for which they were pledged.

⁵¹ Cartagena Convention: **Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region**

⁵² The **Protocol for Specially Protected Areas and Wildlife**—SPAW Protocol—is part of the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (the Cartagena Convention).

⁵³ LBS Protocol: **Protocol Concerning Pollution from Land-Based Sources and Activities** to the Cartagena Convention

- d. All contributions shall be allocated in accordance with the relevant provisions of the United Nations for the administration of Trust Funds. Donors may request that their extraordinary contributions be earmarked for specific purposes, within the priorities already approved by the Contracting Parties. Administration
- e. The administration of the Trust Fund is entrusted through the Secretariat to the Executive Director of UNEP. The Trust Fund is administered in accordance with the Financial Regulations, Rules, and relevant administrative instructions of the United Nations, including the Financial Rules of the Environment Fund.
- f. Following a request by the Contracting Parties, the Governing Council of UNEP is authorized to extend the Trust Fund every two years for a two-year period.

Budget. The budget for a biennium reflecting the work plan for the same period shall be approved by the Contracting Parties and will constitute the authorization to the Executive Director of UNEP, through the Secretariat, to incur obligations and make payments within the allocations approved by the Contracting Parties. The budgets for the Specially Protected Areas and Wildlife (SPA) and Assessment and Management of Environmental Pollution (AMEP) sub-programmes are shown in **Tables 14 and 15** as examples.

Table 14. Budget of the SPAW Programme for the 2019-2020 Biennium⁵⁴

⁵⁴ UNEP. 2019.

Activity	2019 Budgeted				2020 Budgeted			
	CTF	Other Contributions*	Total cost	Required Balance**	CTF	Other Contributions*	Total Cost	Required Balance**
2.1 Programme Co-ordination (salary costs and COP and STAC Meetings)	220,000	208,000	428,000	-	230,000	233,000	463,000	-
2.2 Strengthening of protected areas in the Wider Caribbean Region	0	165,000	410,107	-	0	160,000	118,600	-
2.3 Development of guidelines for management of protected areas and species	0	29,000***	0	-	0	24,000***	0	-
2.4 Conservation of threatened and endangered species	0	245,000	118,668	-	0	245,000	85,068	-
2.5 Conservation and sustainable use of coastal and marine ecosystems	0	894,001	844,001	-	0	478,268	398,267	-
Subtotal	220,000	1,541,001	1,800,776	-	230,000	1,140,268	1,064,935	-
Programme support costs 13% (amount subject to change based on source of funds)	28,600	200,330	234,101	-	29,900	148,235	138,442	-
TOTAL SPAW	248,600	1,741,331	2,034,877	-	259,900	1,288,503	1,203,377	-

* Includes funding from France through SPAW-RAC, funding from the CLME+ Project and the Biodiversity for Sustainable Development in the Caribbean project; and in-kind contributions from SBNMS, the Centre for Coastal Studies and Whale and Dolphin Conservation, and \$25,000 for the Cari'Mam project and €4,000 to Allied Whale

** Required Balance reflects any shortfalls between budgeted **Total Cost** and expenditure amounts from the CTF + Other Contribution to be calculated at the end of the biennium and reflected in the Status of Activities Report for 2019-2020

*** In-kind support being explored from partners

Table 15. Budget of the AMEP Sub-Programme for the 2019-2020 Biennium⁵⁵

⁵⁵ UNEP. 2019.

Activity	2019 Budgeted				2020 Budgeted			
	CTF	Other Contributions	Total cost	Required Balance	CTF	Other Contributions	Total Cost	Required Balance
(a) GEF Projects								
(i) CReW+ (3yrs)	0	0	1,500,000	0	0	0	1,500,000	0
(ii) IWEco – (5yrs)	0	0	8,750,000	0	0	8,750	8,750	0
TOTAL GEF	0	0	10,250,000	0	0	0	10,250,000	0
(iii) Recreational Water Quality	0	5,000	42,500	37,500	0	5,000	42,500	37,500
(iv) Caribbean Node for Marine Litter (ACP EU, GPML)	0	11,682	23,364	0	0	11,682	23,364	0
(v) Trash Free Waters	0	95,794.50	95,794.50	0	0	95,794.50	95,794.50	0
(vi) Strengthening human resilience in Northern Clarendon & West Kingston, Jamaica	0	153,950	153,950	0	0	153,950	153,950	0
(vii) Caribbean Platform for Nutrients (CLME+ & ACP/EU)	0	364,953.50	364,953.50	0	0	364,953.50	364,953.50	0
Programme Coordination	400,000	94,929.50	494,939.50	0	400,000	94,929.50	494,939.50	0
OTHER Sub-total	400,000	726,309.5	1,163,819.5	37,500	400,000	726,309.5	1,163,819.5	37,500
<i>Programme Support cost 13% to UNEP HQ (amount subject to change based on source of funding)**</i>	52,000	30,926.50	87,801.50	4,875	52,000	30,926.50	87,801.50	4,875
TOTAL OTHER	452,000	757,236	1,251,621	42,375	452,000	757,236	1,251,621	42,375
TOTAL AMEP (other + GEF)	452,000	757,236	11,501,621	42,375	452,000	757,236	11,501,621	42,375

Financial reporting. The Executive Director shall submit biennial reports on the administration of the CTF to the Contracting Parties. The report on the administration of the CTF shall show:

- 5.3 funds received and expenditures incurred during each fiscal year.
- 5.4 detailed report on the contributions of the Contracting Parties and other donors made and not made.
- 5.5 assets and liabilities of the CTF.

Audit. The Trust Fund accounts shall be subject exclusively to audit by the United Nations internal and external auditors.

6.2.2 Current and potential new funding sources include:

- a. Bilateral donors

- b. The Global Environment Facility (GEF)
- c. Green Climate Financing
- d. United Nations Multi-Country Sustainable Development Framework (UN MSDF)
- e. Development banks: building on relationships already established with the InterAmerican Development Bank (IDB), World Bank, and the Caribbean Development Bank (CDB)
- f. Environmental foundations interested in coastal and marine issues
- g. Private sector following UNEP’s Guidelines for Engagement with the Private Sector.

6.2.3 Projects

- a. UNDP/GEF project “Catalysing the Implementation of the SAP for the Sustainable Management of shared Living Marine Resources in the Caribbean and North Brazil Shelf LME (CLME+) region” (2015-2020)*
- b. GEF-CReW: Caribbean Regional Fund for Wastewater Management *
- c. GEF-IWCAM: Integrating Watersheds and Coastal Area Management *
- d. Capacity Building Related to Multilateral Environmental Agreements in African, Caribbean and Pacific Countries (ACP MEA) – Phase III **
- e. GEF-funded Integrating Water, Land and Ecosystems Management in Caribbean Small Island Developing States (IWEco Project) **
- f. GEF (CReW+) Project: An integrated approach to water and wastewater management in the Wider Caribbean Region using innovative solutions and sustainable financing mechanisms. **
- g. Implementation of the Strategic Action Program (SAP) of the Gulf of Mexico Large Marine Ecosystem Project
- h. Reduce marine plastics and plastic pollution in Latin American and Caribbean cities through a circular economy approach ***
- i. Prevention of Marine Litter in the Caribbean Sea (PROMAR) ***

Note: * Concluded; ** Ongoing; *** To commence.

6.3 Country Contribution

Contracting Parties pay voluntary contributions on an annual basis at levels agreed to at each ordinary Meeting to support the Trust Fund. The level of contributions should, at a minimum, guarantee the overall costs of the Secretariat.

6.4 Institutional Arrangements⁵⁶

⁵⁶ UNEP. “Wider Caribbean.”

6.4.1 Existing

- a. **Secretariat:** UNEP is designated to carry out the secretariat functions of the Convention. The **Caribbean Regional Co-ordinating Unit (CAR/RCU)** was established in 1986 in Kingston, Jamaica, and is the Secretariat for the Cartagena Convention and the Caribbean Environment Programme.
- b. **Regional Activity Centres (RACs) and Regional Activity Networks (RANs):** coordinate and implement activities related to the Cartagena Convention and its Protocols.

There are currently four (4) RACs:

- 1) **Oil Spills Protocol:** The Regional Marine Pollution Emergency Information and Training Center for the Wider Caribbean (RAC REMPEITC-Caribe) in Curacao which works in close collaboration with the International Maritime Organization (IMO).
- 2) **LBS Protocol:** The Centre of Research and Environmental Management of Transport in Cuba
- 3) **LBS Protocol:** The Institute of Marine Affairs in Trinidad and Tobago
- 4) **SPAW Protocol:** The Regional Activity Centre for Specially Protected Areas and Wildlife (SPAW RAC), which is hosted in Guadeloupe.

The Secretariat also recognizes the following institutions as part of the RAN: Gulf and Caribbean Fisheries Institute (GCFI), Centro del Agua del Trópico Húmedo para América Latina y el Caribe (CATHALAC), Caribbean Public Health Agency (CARPHA), and the Instituto de Investigaciones Marinas y Costeras (INVEMAR).

c. **Scientific and Technical Committees**

- 1) **Scientific and Technical Advisory Committee of the SPAW Protocol** – established in accordance with Article 20 of the SPAW Protocol to advise Contracting Parties on matters related to the listing of protected areas and species, the management and protection of protected areas and species and their habitats, as well as other matters related to the implementation of the Protocol. Each Contracting Party is entitled to appoint an appropriately qualified scientific expert, who may be accompanied by other appointed experts and advisors, to serve as its representative in the Committee.
- 2) **Scientific and Technical Advisory Committee of the LBS Protocol** – established in accordance with Article XIV of the LBS Protocol to report to and advise Contracting Parties regarding the implementation of the Protocol. This includes providing guidance on actions and methodologies to address pollution loads in the Convention area and proposing priority measures for scientific and

technical research and the management of pollution from land-based sources and activities. Each Contracting Party may appoint an expert as its representative, who may be accompanied by other designated advisors.

- 3) **Oil Spills Steering Committee** - established in accordance with Article 9 of the Oil Spills Protocol, which stipulates the institutional arrangements and functions of the Secretariat to provide assistance to Contracting Parties through RAC REMPEITC-Caribe and in close collaboration with the International Maritime Organization. These meetings serve as a forum to discuss, the biennial work plan of RAC REMPEITC, agree on priorities, and adopt other important decisions related to the Protocol.

6.4.2 Ocean Coordination Mechanism MOU for CLME+⁵⁷

The CLME+ region consists of 26 Sovereign States and 18 Overseas Territories within two Large Marine Ecosystems – the **Caribbean Sea and North Brazil Shelf LMEs**.

The 10-year CLME+ **Strategic Action Programme for the Sustainable Management of Shared Living Marine Resources (2015-2025)** was signed by 25 countries and 6 Overseas Territories (as of 2018). The CLME+ SAP focuses on three so-called “sub-ecosystems”: the coral reef, the pelagic and the continental shelf sub-ecosystems.

The Memorandum of Understanding (MoU) that will enable the creation of an Ocean Coordination Mechanism for the Caribbean and North Brazil Shelf Large Marine Ecosystems (CLME+) was finalized on 12 October 2021. Following the language reconciliation of the English, Spanish and French versions of the MoU, it will be opened for signatures by Countries and Intergovernmental Organisations (IGOs) listed in the MoU Annex 1.

7. Mediterranean Sea

7.1 Countries Involved

The 22 Contracting Parties to the **Convention for the Protection of the Mediterranean Sea Against Pollution** (Barcelona Convention) are Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Lebanon, Libya, Malta, Monaco, Montenegro, Morocco, Slovenia, Spain, Syrian Arab Republic, Tunisia, Turkey, and the European Union.

⁵⁷ CLME+ Hub for the Wider Caribbean.

7.2 Funding Mechanism and Country Contribution^{58 59}

The **Mediterranean Regional Trust Fund** is used for the protection of the Mediterranean Sea against pollution. This will support the **Mediterranean Action Plan** (MAP) for two (2) years. This will cover two sections:

- Section I - Activities directly derived from the Convention for the Protection of the Mediterranean Sea against Pollution and its related protocols,
- Section II – Other activities agreed to as part of the MAP.

Adoption of the **operational budget** by the Contracting Parties shall constitute the basis for UNEP to issue allotments and to incur commitments and make payments for the purposes for which the appropriations were approved, provided always that, unless specifically authorized by the Executive Director, commitments shall be covered by related income.

The resources of the Contracting Parties shall comprise:

- a. **Country contributions:** Contributions made each year by parties on the basis of an assessed scale adopted by consensus by the Contracting Parties and based on the applicable scale of assessments of the United Nations as may be adopted periodically by the General Assembly
- b. **Discretionary Contributions** made each year by parties in addition to those made pursuant to paragraph (a)
- c. **Voluntary Contributions** from States parties to the Convention, as well as other governmental, intergovernmental, and non-governmental organizations and other sources
- d. **UNEP Contribution:** The Executive Director of UNEP may also allot funds to the Mediterranean Coordinating Unit.
- e. **Miscellaneous revenue.**

7.3 Institutional Arrangements⁶⁰

Activities, programs, and projects implemented by the MAP Coordinating Unit and the MAP Components, including six Regional Activity Centres (RACs) operating from host Mediterranean countries, translate the vision of a healthy and prosperous Mediterranean into a gradually expanding constellation of achievements.

⁵⁸ United Nations Environment Program. “UNEP(DEPI)/MED IG.21/9 Annex II – Thematic Decisions Page 233 Decision IG.21/15 Financial Regulations and Rules and Procedures.” *UNEP Document Repository*, https://wedocs.unep.org/bitstream/handle/20.500.11822/6003/13ig21_09_annex2_21_15_eng.pdf. Accessed 9 May 2023.

⁵⁹ United Nations Environment Program. “Terms of Reference for the Administration of the Mediterranean Regional Trust Fund for the Protection of the Mediterranean Sea Against Pollution.” *Untitled*, https://wedocs.unep.org/bitstream/handle/20.500.11822/7285/79ig14_9_ann9_mtf_eng.pdf. Accessed 9 May 2023.

⁶⁰ United Nations Environment Programme. “Institutional set-up.” *UNEP*, <https://www.unep.org/unepmap/who-we-are/institutional-set>. Accessed 9 May 2023.

a. The MAP Coordinating Unit

In line with Article 17 of the Barcelona Convention, UNEP provides secretariat services to the Contracting Parties through its MAP Coordinating Unit, established in Athens in 1982 on the basis of a *Host Country Agreement* between Greece and UNEP.

The overall mission of the UNEP/MAP Coordinating Unit is to promote and facilitate the implementation of the Barcelona Convention, its Protocols and Strategies, and of the Decisions and Recommendations of the Contracting Parties. It ensures the functioning of the MAP system and facilitates the work of the Contracting Parties to meet their commitments under the Barcelona Convention and its Protocols.

The UNEP/MAP Coordinating Unit:

- develops, implements, and monitors the Programme of Work, and organizes and provides secretariat services for the meetings of subsidiary bodies established within the MAP framework.
- provides through the UN Mediterranean knowledge platform (INFO/MAP) system effective reporting services to facilitate the implementation Barcelona Convention and is entrusted with regular reporting on the State of the Environment and Development in the Mediterranean and on the overall status of implementation of the Barcelona Convention and its Protocols.
- ensures the financial management of the MAP system and coordinates the implementation and periodic updating of the MAP information and communication policy.

In implementing its Programme of Work, the Coordinating Unit receives the technical support and assistance of the MAP Components in accordance with their individual mandates, and with specific decisions of the Contracting Parties.

b. The MAP Components

The Components constitute a source of strength for the entire MAP-Barcelona Convention system. This setup allows the system to acquire and develop essential expertise for the execution of the Convention, notably through the specific mandates of the RACs, while keeping a shared sense of direction and common purpose.

1. The Mediterranean Pollution Assessment and Control Programme (MED POL) is based at the Coordinating Unit in Athens, Greece.

2. The Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC) based in Valletta, Malta.
3. The Plan Bleu Regional Activity Centre (PB/RAC) based in Marseille, France
4. The Priority Actions Programme Regional Activity Centre (PAP/RAC) based in Split, Croatia.
5. The Specially Protected Areas Regional Activity Centre (SPA/RAC) based in Tunis, Tunisia
6. The Regional Activity Centre for Sustainable Consumption and Production (MedWaves) based in Barcelona, Spain
7. The Regional Activity Centre for Information and Communication (INFO/RAC) based in Rome, Italy.

8. NOWPAP or Northwest Pacific Action Plan^{61,62}

Climate change, rapid coastal development, onshore and offshore industry, tourism, and pollution (especially caused by eutrophication), marine litter and microplastics, biodiversity loss and the introduction of invasive non-indigenous species are taking an increasing toll on Northwest Pacific marine and coastal environmental health. Situated in one of the busiest international shipping lanes, the region is also at high risk of accidental oil and hazardous and noxious substances spills at sea. The **Action Plan for the Protection, Management and Development of the Marine and Coastal Environment of the Northwest Pacific Region** (NOWPAP), launched in September 1994, is part of UNEP's Regional Seas Programme.

8.1 Countries Involved

- a. Japan
- b. People's Republic of China
- c. Republic of Korea
- d. Russian Federation

8.2 Funding Mechanism and Country Contribution

Activities agreed upon under the action plan will be funded by contributions from governments, international organizations, and NGOs. UNEP's direct financial support and contributions from the UN and other bodies will be available during the initial stages. The **NOWPAP Trust**

⁶¹ UNEP. Northwest Pacific.

⁶² United Nations Environment Programme. "()";" 23 February 2022,

Fund was established by the member countries to provide financial support for implementing projects based on the Action Plans for the protection and management of the coastal marine environment and the resources of the Northwest Pacific region.

- Each member country contributes the appropriate amounts to the Fund.
- The administration and management of the NOWPAP Trust Fund are governed by the *Financial Regulations and Rules of the United Nations*.
- The expenditures of the NOWPAP Trust Fund are financed from contributions in accordance with the decisions on financial arrangements adopted by the IGM of NOWPAP. No expenditure from the NOWPAP Trust Fund shall be made before a minimum of \$50,000 has been contributed to the trust fund.
- **Financial Report:** The Executive Director of UNEP reports annually on the status of the NOWPAP Trust Fund, through his/her reports to the Intergovernmental Meeting.
- **Audit:** The NOWPAP Trust Fund is subject to audit by the United Nations.
- The revolving NOWPAP Trust Fund has been maintained since 1995.

Table 16. NOWPAP Work Plan and Budget (Thousand USD)

RACs/Projects/Activities	Approved Budget for 2018-2019	Suggested Budget for 2020-2021
CEARAC	185	185
DINRAC	185	185
MERRAC	185	185
POMRAC ¹	185 ¹	185
RAP MALI	91	91
Public Awareness (RCU)	20	20
- Coordination of RACs (RCU) - Implementation of NOWPAP (RCU)	127	92
RCU Operation (RCU)	50	59
Resource Mobilization (RCU)	27	30
Contribution to the development of MPAs network	-	10
NOWPAP Special Projects / Initiatives	95	-
Completion of RAP BIO	-	30
Communications Strategy Development	-	25
Communications Activities	-	28
Internal Audit	-	5
Evaluation of Special Projects (Review)	-	10
Sub-total	1,150	1,140
13% of the sub-total as Programme Support Cost	150	160 ²
TOTAL	1,300	1,300

Source: UNEP/NOWPAP. 2020. Draft NOWPAP Programme of Work 2020-2021. 24th NOWPAP-IGM (Beijing, China, 11-13 Feb. 2020). Accessed on 23 May 2023 from: https://wedocs.unep.org/bitstream/handle/20.500.11822/31142/IGM24_PoW_2020.pdf?sequence=1&isAllowed=y

NOWPAP IGM considers and adopts the biannual budget prepared by the Regional Coordinating Unit (**Table 16**). This budget is financed by contributions from the Member States, voluntary contributions from governments, and on a project basis - by supporting organizations.

- Voluntary cash and in-kind contributions from governments of Japan and the Republic of Korea support personnel and management costs of the RCU offices in Toyama, Japan, and Busan, R. Korea, respectively.
- Korea's Coast Guard provides financial support to staff and operational costs of the NOWPAP MERRAC. A separate trust fund was established by the UNEP for this purpose.

8.3 Institutional Arrangement

- a. **Regional Coordinating Unit (RCU)** - is the nerve center directing and promoting the NOWPAP activities and has the overall responsibility for the implementation of the Action Plan. It also coordinates the activities of the four RACs. It was set up in Toyama, Japan and Busan, Korea.
- b. **Intergovernmental Meeting (IGM)** –is the high-level governing body that provides policy guidance and makes decisions. The IGMs are held annually in one of the participating countries on a rotational basis.
- c. **Focal Points** – senior representatives of the following ministries in the Member States.
 - **Japan:** Global Environment Division, International Cooperation Bureau, Ministry of Foreign Affairs of Japan in cooperation with the Ministry of the Environment of Japan, Ministry of Land, Infrastructure, Transport and Tourism of Japan, and Japan Coast Guard.
 - **People’s Republic of China:** Department of International Cooperation, Ministry of Ecology and Environment of China in cooperation with China Maritime Safety Administration.
 - **Republic of Korea:** Climate Diplomacy Division, Climate Change, Energy and Environmental Affairs Bureau, Ministry of Foreign Affairs of ROK in cooperation with the Ministry of Oceans and Fisheries, Korea Marine Environment Management Corporation, and ROK Coast Guard
 - **Russian Federation:** Department for International Cooperation, Ministry of Natural Resources and Environment of the Russian Federation in cooperation with the Ministry of Foreign Affairs of the Russian Federation and the Ministry of Transport of the Russian Federation (Federal Agency for Maritime and River Transport)
- d. **Regional Activity Centers (RACs)** – They coordinate the network of national institutions that run projects that implement the action plan.
 - Special Monitoring and Coastal Environmental Assessment Regional Activity Centre (CEARAC)
 - Data and Information Network Regional Activity Centre (DINRAC)
 - Marine Environmental Emergency Preparedness and Response Regional Activity Centre (MERRAC)
 - Pollution Monitoring Regional Activity Centre (POMRAC)
- e. **Secretariat**

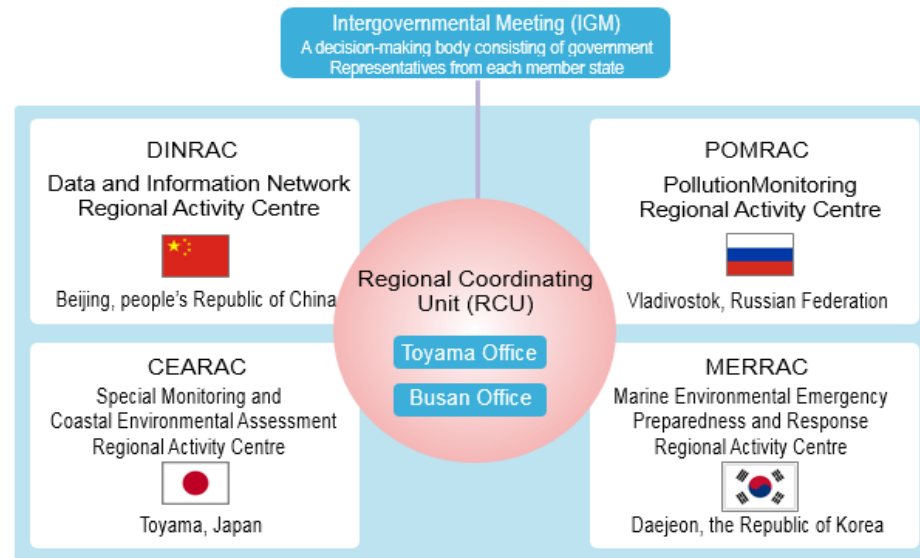


Figure 9. NOWPAP Management Structure

9. Coordinating Body for the Seas of East Asia (COBSEA)

9.1 Countries Involved

- a. Cambodia
- b. People's Republic of China
- c. Indonesia
- d. Republic of Korea
- e. Malaysia, the Philippines
- f. Thailand
- g. Singapore
- h. Viet Nam

9.2 Funding Mechanism

The **East Asian Seas Trust Fund** was established in 1982 to finance the activities identified the East Asian Seas Action Plan, which aims at the sustainable development and protection of the marine environment and coastal areas of East Asian Seas.

Participating countries make annual financial contributions to the Trust Fund in line with *Decision 1 of the 21st Intergovernmental Meeting of COBSEA*. **The Trust Fund supports the core functions of COBSEA including the Secretariat and Intergovernmental Meetings**. However, at current contribution levels, this provides only the minimum required and does not encompass funding for activities, including project development.

The Trust Fund is being administered according to the financial rules of the United Nations and the terms of reference agreed by the participating governments. These arrangements will be subject to review at *ad hoc* intervals by the participating governments. The expenditures from the Trust Fund shall be made in accordance with the decisions of financial arrangements adopted by the annual Intergovernmental Meetings (IGM).

The action plan is expected to be financially self-supporting through the East Asian Seas Trust Fund or any other approved and appropriate mechanisms. In the meantime, it is expected that the Environment Fund of UNEP will provide financial support to the action plan although this will, over time, decrease as a proportion of the total annual cost. Financial support for the activities of the action plan may come from:

- a. Contributions from participating governments to the East Asian Seas Trust Fund, established in 1982, according to a scale determined from time to time by the governments concerned;
- b. Contributions from the participating governments, made in addition to the regular contributions outlined in (i) above;
- c. Contributions from governments supporting the action plan but not participating in it;
- d. Support from any United Nations organization on a project-funding basis;
- e. Support from the regional and international organizations which are not part of the United Nations System (e.g., regional development banks), in most cases on a project-funding basis;
- f. Support from bilateral and multilateral donors; and
- g. Any other source of funding agreed to by the participating governments.

The COBSEA Secretariat prepares the biennium budget for approval by the participating countries. **Table 17** below presents the proposed Trust Fund budget for the period of 2023-2024 (in USD)

Table 17. COBSEA budget for 2023-2024

Budget year		2023	2024
Coordinator (P4) ¹		198,300	198,300
Coordinator (P5)		-	-
Programme Officer (P3) ²		-	-
Administrative Assistant (G5)		-	-
Administrative Assistant (G6)		80,000	80,000
Administration and other personnel		20,000	20,000
Sub-total: Personnel		298,300	298,300
Governance	COBSEA IGM 26 ⁴		50,000
Governance	Travel	20,000	20,000
Governance	Strategic Directions 2023-27	30,000	10,000
Sub-total: Activities		50,000	80,000
Rent		20,600	20,600
Office equipment and misc.		2,000	2,000
Sub-total: Operation component		22,600	22,600
Grand total		370,900	400,900
13% Programme Support Cost (PSC)		48,217	52,117
Grand Total with PSC		419,117	453,017
Proposed use of Trust Fund savings		(100,000)	(125,000)
Grand Total		319,117	328,017

¹ It is proposed that COBSEA Coordinator continues at the P4 level over 2023-24, which is to be revisited during 2025-26 subject to availability of resources, as elaborated in para 11.

² The Programme Officer P3 will be funded from extra-budgetary (XB) resources. However, pending receipt of these funds, the Secretariat will request for a cash loan from the Trust Fund to cover these costs estimated at US\$69,250 under the UNEP cash loan policy. The cash will be reimbursed to the trust fund as soon as the XB funds are received. Detailed explanation in para 13.

Source: UNEP/COBSEA. 2022

9.3 Country contributions

The Intergovernmental Meeting (IGM) on the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Region (Manila, 27-29 April 1981), attended by representatives of Indonesia, Malaysia, the Philippines, Singapore and Thailand, adopted the **Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Region** (UNEP/IG.26/6, Annex IV). The subsequent IGM on the East Asian Seas Action Plan (Bangkok, 9-11 December 1981), attended by the representatives of the same States, determined the institutional and financial arrangements for the implementation of the Action Plan (UNEP/IG.31/6, paragraphs 36-57) including the terms of reference for the management of the East Asian Seas Trust Fund (UNEP/IG.31/6, Annex VII).

In 1994, the participating Governments pledged paid to the **East Asian Seas Trust Fund** on the basis of the amounts shown in ANNEX IV of the Action Plan document are shown in **Table 18**. The cost to UNEP relating to the supervision of the activities of the EAS/RCU, as far as its own staff and related costs are concerned, is estimated at US\$ 250,000 per year.

Table 18. Pledges of the participating States to the East Asian Seas Trust Fund in 1994 ⁶³

State	US dollars	
Australia	15,000	(for 1994)
Cambodia, Kingdom of	5,000	(for 1995)
China, People's Republic of	15,000	(.....)
Indonesia	33,000	
Korea, Republic of	(.....)
Malaysia	18,700	
Philippines	20,900	
Singapore	1,100	
Thailand	20,900	
Vietnam, Socialist Republic of	7,000	(for 1995)

In 2015, during the 22nd IGM, the Chairperson requested all participating countries to update their target pledge as agreed in Resolution 1 of the 21st COBSEA IGM. All participating countries, with the exception of China and Singapore, which required further consultations, confirmed their yearly commitment as follows:

Cambodia: USD 15,000 starting from 2016

Indonesia: USD 40,000 starting from 2015

Republic of Korea: USD 45,000 starting from 2015, and would undertake efforts to increase its contribution.

Malaysia: USD 38,000 starting from 2015

Philippines: USD 50,000 starting from 2015

Thailand: USD 42,000 starting from 2016

Viet Nam: 15,000 starting from 2015

People's Republic of China: USD 30,000, indicating that further consultation was still required before finalizing the position, as mentioned above.

Singapore: USD 10,000, indicating that further consultation was required before finalizing the position, as mentioned above.

⁶³ United Nations Environment Programme. “.” - Wiktionary, <https://wedocs.unep.org/bitstream/handle/20.500.11822/29052/AP94.pdf?sequence=1%E2%80%A6>. Accessed 17 May 2023.

In 2019, during the 24th Intergovernmental Meeting (IGM), the Secretariat presented the financial performance of the East Asian Seas Trust Fund (Trust Fund) for the period of 2017-2018, prepared in accordance with the UN Financial Rules and Procedure and the Financial Rules and Procedure for COBSEA adopted at the 23rd Intergovernmental Meeting. The total contribution to the Trust Fund during the period 2017-2018 was USD 671,226. Contributions to the Trust Fund leveraged project funding, excluding Global Environment Facility (GEF) projects, at a ratio of 10 to 1.

During the second part of the IGM 25, held in 2022, the Secretariat presented the financial performance of the East Asian Seas Trust Fund for the period of 2021-2022. A total of USD 671,050 had been received in country contributions to the Trust Fund in 2021-2022. During the period under review, the total cost incurred to the Trust Fund amounted to USD 308,041, inclusive of 13% programme support cost.

9.4 Institutional Arrangements

The Coordinating Body on the Seas of East Asia (COBSEA) is an intergovernmental mechanism that was formed to provide overall policy coordination of the East Asian Seas Action Plan. In 1993, the COBSEA Secretariat was established to manage fewer, larger, and regional projects. The COBSEA Secretariat is hosted by Thailand in Bangkok and administered by UNEP. It provides overall technical coordination and supervision of the implementation of the Action Plan, including:

- coordinating the activities of government partners and other stakeholders in the region for a healthy marine environment,
- acting as a supervisory body for the implementation of COBSEA projects and activities, and
- facilitating knowledge sharing among participating countries and across regions, including with other Regional Seas Programmes.⁶⁴

The Regional Coordinating Unit of the East Asian Seas Action Plan (EAS/RCU) will assist COBSEA in the implementation of the **Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Region** by serving as the Secretariat for the action plan. 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, is vested in the annual intergovernmental meetings (IGM) of governments that participate in the action plan. For this purpose, the participating governments will continue to employ COBSEA as the sole decision-making body for the Action Plan.

A decision to revise the East Asian Seas Action Plan arose at the 10th meeting of COBSEA held in Bangkok, Thailand on 9-10 July 1993.

⁶⁴ United Nations Environment Programme. “.” - Wiktionary, https://www.unep.org/cobsea/who-we-are/institutional-structure?_ga=2.124181897.2034873621.1684249698-197277989.1681880806. Accessed 17 May 2023.

The Twenty-fifth Meeting of COBSEA was held in two parts, with the first part on 8-9 September 2021 as a virtual meeting, and the second part held in-person in Viet Nam on 12-13 October 2022. IGM25 discussed the (a) development of new *COBSEA Strategic Directions*, (b) the development of a biennial workplan for implementation of the *COBSEA Regional Action Plan on Marine Litter*, (c) establishment of the East Asian Seas Regional Node of the Global Partnership on Marine Litter and Regional Activity Center of COBSEA, (d) project document in line with the East Asian Seas Action Plan, and (e) the workplan and budget for COBSEA for the biennium 2021-2022. The current COBSEA organizational structure reflects the ongoing focus on marine litter (**Figure 9**).

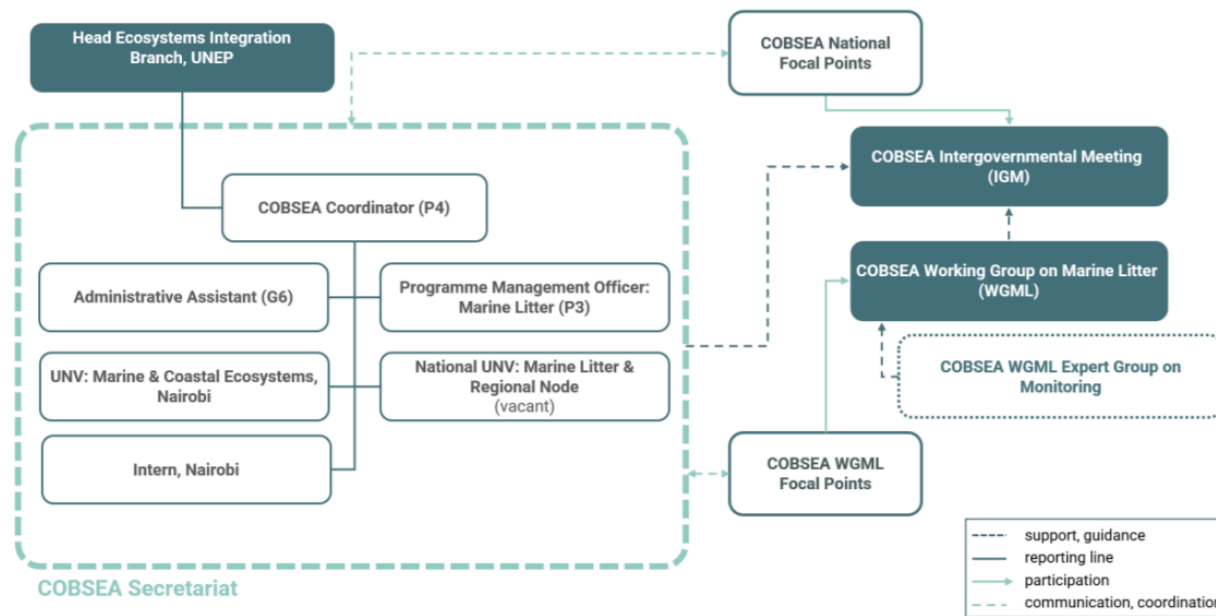


Figure 10. COBSEA Organizational Structure

III. Summary

In UNEP-administered regional seas programmes, trust funds have been set up to finance at least the cost of the secretariat, and to support or leverage other financing for the implementation of action plans. Fixed contributions made each year by Contracting Parties are based on the budget and assessed scale adopted by consensus by the Contracting Parties using applicable scale of assessments of the United Nations. In the case of the Wider Caribbean region, the Contracting Parties agree to pay **voluntary** contributions at levels agreed to at each ordinary Meeting to support the Trust Fund, and at a minimum, guarantee the overall costs of the Secretariat. In most of these RSPs, regional conventions have been signed by contracting parties/States.

In non-UNEP administered programmes, there is a variety of financing and institutional arrangements.

For CTI-CFF, two funds are set up: (a) *General Fund* to support the budget of the Secretariat, and financed by country contributions (of which 60% of the budget will be contributed by each Party in equal shares, and 40% will be divided between the Parties based upon the relative size of their gross domestic product (GDP)); and (b) *Temporary Restricted Fund*, where grants and donations from CTI development partners and non-partners, and any surplus funds are placed.

For PERSGA, which started as a UNEP-administered program, the budget is financed by country contributions, with Saudi Arabia paying 50% of the budget, Egypt contributing 30%, and the other member States contributing between 3.7% and 2.5%. A regional convention was signed by the member States.

For PEMSEA, participating countries signed the Haikou Declaration, which established PEMSEA as the regional coordinating mechanism for the implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA). The previous GEF/UNDP-supported project on the implementation of the SDS-SEA was completed in 2020. PEMSEA is currently benefiting from various donor-funded projects as well as country-level support (from 7 country partners), while also pursuing more projects with various donors, such as GEF, GIZ, IKI/IMO, etc.

Table 19 and **Table 20** show the financing arrangements, including country contributions, in selected regional mechanisms.

Table 19. Financing arrangements and country contributions in selected Marine Ecoregions, LMEs, and Regional Seas Programmes

LME/Regional Seas	Financing arrangements	Country contribution
I. Non-UNEP-administered marine ecoregions, LMEs, and regional seas programmes		

LME/Regional Seas	Financing arrangements	Country contribution
<p>1. CTI-CFF</p>	<p>Types of Funds</p> <p>a. General Fund – For the income and expenditure of the Secretariat.</p> <p>i. Contributions paid by Parties and miscellaneous income to finance general expenditure.</p> <p>ii. Advances made by Parties shall be carried to the credit of the Parties which have made such advances.</p> <p>b. Temporary Restricted Fund</p> <p>i. <i>CTI-CFF Funds</i> – Grants/Donations from CTI Development Partners.</p> <p>ii. <i>Special Funds</i> – Grants/Donations from donors other than CTI Development Partners.</p> <p>iii. <i>Surplus Funds</i> – Any cash surplus at the close of a financial year</p> <p>Funds of Secretariat:</p> <p>a. Assessed contributions by the Parties in accordance with <i>Schedule 1 of the Financial Regulations</i>;</p> <p>b. Voluntary contributions made by Parties, CTI Partners, or other entities; and</p> <p>c. Any other funds to which the Secretariat may become entitled or may receive, including income from investments.</p> <p>All income other than contributions to the budget shall be classified as</p>	<p>Annual contributions shall be assessed in terms of a value calculated based on the Special Drawing Rate (SDR) of the International Monetary Fund and paid in United States dollars.</p> <p>Parties will contribute to the General Fund of the Secretariat on the following basis:</p> <p>i. The total amount to be contributed will be determined by the CTI COM based on the draft annual budget provided by the Secretariat.</p> <p>ii. Sixty percent (60%) of the amount identified in item (i) above shall be contributed by each of the Parties in equal shares.</p> <p>iii. The remainder of the total amount identified in item (i) above shall be divided between the Parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all Parties.</p>

LME/Regional Seas	Financing arrangements	Country contribution
	<p>Miscellaneous Income and credited to the General Fund.</p> <p>Budget The total annual budget calculation will be divided into two (2) sections:</p> <ol style="list-style-type: none"> a. General budget for expenses and activities funded by Country Contributions b. Budget for activities funded by grant(s) from partner(s). 	
2. PERSGA	<ol style="list-style-type: none"> a. Country contributions b. Collaborations with the following for project support: <ul style="list-style-type: none"> • UN agencies: UNEP, UNDP, WB, and UNIDO, IMO, IOC-UNESCO, FAO, and IAEA. • regional development organizations: Islamic Development Bank, ISESCO, Arab League, CEDARE and ROPME 	Saudi Arabia pays 50% of the PERSGA budget, Egypt pays 30%, and the remaining countries contribute between 3.7% and 2.5%.
3. BOBLME	<p>GEF, Norway, Swedish International Development Cooperation Agency (SIDA), National Oceanic and Atmospheric Administration (NOAA), Food and Agriculture Organisation of the United Nations (FAO), The World Bank, and 8 participating countries agreed to fund the 5-Year BOBLME Project, amounting to US\$31 million.</p> <p>Total project costs distributed by funding source are:</p> <ol style="list-style-type: none"> a. GEF: US\$12.1 million 	8 Member States: US\$5.7 million

LME/Regional Seas	Financing arrangements	Country contribution
	b. Co-financiers – NORAD, SIDA, NOAA: US\$12.4 million c. BOBLME 8 Member States: US\$5.7 million d. FAO: US\$0.8 million	
4. PEMSEA	<p>PEMSEA Resource Facility – serves as the Secretariat and coordinating mechanism for the implementation of the SDS-SEA.</p> <p>Funding sources:</p> <ul style="list-style-type: none"> • GEF/UNDP • Voluntary country contributions • Norwegian Ministry of Foreign Affairs • Coca-Cola • GIZ <p>*Non-Country Partners implement their projects, which contribute to the goals of the SDS-SEA.</p>	voluntary country contributions: RO Korea, PR China, Japan, Singapore, Philippines, Timor-Leste, Indonesia
II. UNEP-administered regional seas programmes		
5. Caribbean Sea	<p>The Caribbean Trust Fund (hereinafter referred to as the “CTF”) was established in 1983 to provide financial support for the common costs and activities associated with the implementation of the Action Plan for the Caribbean Environment Programme (CEP).</p> <p>Funding sources:</p> <p>a. Contracting Parties agree to pay voluntary contributions to</p>	<p>Contracting Parties agree to pay voluntary contributions to support the Trust Fund.</p> <p>Voluntary contributions are to be paid on an annual basis at levels agreed to at each ordinary Meeting.</p> <p>The level of contributions should, at a minimum, guarantee the overall costs of the Secretariat.</p>

LME/Regional Seas	Financing arrangements	Country contribution
	<p>support the CTF. Voluntary contributions are to be paid on an annual basis at levels agreed to at each ordinary Meeting.</p> <p>b. Contributions made to the CTF are either ordinary or extraordinary.</p> <ul style="list-style-type: none"> • Ordinary contributions shall consist of the amount agreed to by each Contracting Party for each fiscal year on a biennial basis. • Extraordinary contributions are funds provided beyond ordinary contributions and include those contributions made by Contracting Parties, non-Contracting Parties, or other donors. 	
<p>6. Mediterranean Sea</p>	<p>The Mediterranean Regional Trust Fund is used for the protection of the Mediterranean Sea against pollution and support the <i>Mediterranean Action Plan (MAP)</i> implementation.</p> <p>Funding sources:</p> <ul style="list-style-type: none"> • Contributions made each year by Contracting Parties based on an assessed scale. • Discretionary Contributions • Voluntary Contributions • UNEP* • Miscellaneous revenue <p>*Adoption of the operational budget by the Contracting Parties shall</p>	<p>Contributions of Contracting Parties based on an assessed scale adopted by consensus by the Contracting Parties and based on the applicable scale of assessments of the United Nations.</p>

LME/Regional Seas	Financing arrangements	Country contribution
	constitute the basis for UNEP to issue allotments and to incur commitments and make payments.	
7. Northwest Pacific Action Plan (NOWPAP)	<p>The NOWPAP Trust Fund was established to provide financial support for implementing projects based on the Action Plans. Each member country contributes the appropriate amounts to the Fund.</p> <p>Funding sources: Activities agreed upon under the action plan will be funded by contributions from governments, international organizations, and NGOs.</p> <p>UNEP's direct financial support and contributions from the UN and other bodies will be available.</p>	Each member country contributes amounts determined on the basis of activities to be implemented under the action plan.
8. Coordinating Body for the Seas of East Asia (COBSEA)	<p>The East Asian Seas Trust Fund was established in 1982 to finance the activities identified in the East Asian Seas Action Plan.</p> <p>The Trust Fund supports the core functions of COBSEA including the Secretariat and Intergovernmental Meetings.</p> <p>Funding sources:</p>	<ul style="list-style-type: none"> • Contributions from participating governments to the East Asian Seas Trust Fund will be according to a scale determined from time to time by the governments concerned. • Contributions from the participating governments, made in addition to the regular contributions outlined above.

LME/Regional Seas	Financing arrangements	Country contribution
	<p>Financial support for the activities of the Action Plan may come from:</p> <ol style="list-style-type: none"> a. Contributions from participating governments to the East Asian Seas Trust Fund, established in 1982, will be according to a scale determined from time to time by the governments concerned. b. Contributions from the participating governments, made in addition to the regular contributions outlined in (i) above. c. Contributions from governments supporting the action plan but not participating in it. d. Support from any United Nations organization on a project-funding basis. e. Support from the regional and international organizations which are not part of the United Nations System (e.g., regional development banks), in most cases on a project-funding basis. f. Support from bilateral and multilateral donors. g. Any other source of funding agreed to by the participating governments. 	

Table 20. Regional Mechanisms

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
I. REGIONAL INTERGOVERNMENTAL COOPERATION ORGANIZATIONS				
1. ASEAN - Association of Southeast Asian Nations	intergovernmental cooperation and facilitates economic, political, security, military, educational and socio-cultural integration among its members	ASEAN Declaration (1967), ASEAN Charter (2008) - legally binding agreement, Bali Concord II (2003) AEC Blueprint (2007), APSC Blueprint (2008), ASCC Blueprint (2008) Treaty of Amity and Cooperation in Southeast Asia (1976)	10 Member States Observers (2) - PNG and TL	<p>ASEAN Fund consisting of equal member-country contributions, managed by the ASEAN Secretariat, and containing two accounts: (1) Seed Fund, which is invested to realize income for the Fund, and (2) Projects Fund, which provides financing for approved projects.</p> <p>ASEAN Development Fund serves as ASEAN's common pool of financial resources to support implementation of the Vientiane Action Programme (VAP).</p> <p>ASEAN Infrastructure Fund (AIF), established in 2011, provides lending to sovereign or sovereign-guaranteed projects in the ASEAN region through funded participation in Asian Development Bank (ADB) loans.</p>
2. Asia-Pacific Economic Cooperation (APEC)	Cooperative, multilateral economic and trade forum	APEC operates based on non-binding and voluntary commitments.	21 Member Economies, including Chinese Taipei and Hong Kong SAR	Activities and Secretariat (in Singapore) are funded by annual member contributions . APEC member economies also provide voluntary contributions to support projects that advance APEC's trade and investment goals and capacity-building needs.
3. Pacific Office of the Pacific Ocean Commissioner (OPOC)	overall coordinating mechanism			

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
Council of Regional Organisations in the Pacific (CROP) Members	advisory body			
• Pacific Islands Forum	political and economic policy organisation	Agreement establishing the Pacific Island Forum (27 Oct 2005)	international organisation established by the treaty, enjoying legal personality in each of its 18 member countries	The Secretariat is funded by member governments through assessed membership contributions , as well as voluntary contributions and extra-budgetary contributions from members. Partners, and donors. Membership fees plus donor funding. Funding partners include the EU, Australia (DFAT), New Zealand, France, and the US.
• Pacific Islands Forum Secretariat (PIFS)	CROP Chair, hosts OPOC	Framework for Pacific Regionalism (2014)		
• Pacific Community (SPC)	principal scientific and technical organisation in the Pacific region	established by a treaty, the Canberra Agreement , in 1947	international development organisation owned and governed by 26 country and territory members	
• Pacific Islands Forum Fisheries Agency (FFA)	sustainable management of fisheries, esp. tuna	South Pacific Forum Fisheries Agency Convention	17 members	donor governments, organizations, and funds, including EU, Australia, Germany, Green Climate Fund, Adaptation Fund, and UNEP.
• Secretariat of the Pacific Regional Environment Programme (SPREP)	region's key inter-governmental organisation for environment and sustainable development	Regional Seas Programme; Secretariat to regional conventions: Nouméa Convention, Waigani Convention, Apia Convention (suspended)	26 Member countries: 21 Pacific Island countries and territories and 5 metropolitan countries - Australia, France, New Zealand, UK, US	

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
<ul style="list-style-type: none"> Pacific Islands Development Program (PIDP) 	capacity devt, research hub, Secretariat of the Pacific Islands Conference of Leaders			
<ul style="list-style-type: none"> Pacific Power Association (PPA) 	energy			
<ul style="list-style-type: none"> South Pacific Tourism Organisation (SPTO) 	tourism			
<ul style="list-style-type: none"> Pacific Aviation Safety Office (PASO) 	aviation	Pacific Islands Civil Aviation Safety and Security Treaty		
<ul style="list-style-type: none"> University of the South Pacific (USP) 	education, research, training			
<ul style="list-style-type: none"> Pacific Community Centre for Ocean Science 	ocean, fisheries, climate change			

II. REGIONAL ORGANIZATIONS — WITH ENVIRONMENT FOCUS (FORMERLY UNEP/UNDP/UNOPS LED OR INCUBATED PROGRAMMES)

4. Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)	Sustainable coastal management: Coastal and ocean governance, ICM, blue economy, natural and man-made hazard prevention and management, habitat protection, pollution and waste reduction management, food security and livelihood management, climate change adaptation	Ministerial Declarations, Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)	non-UN intergovernmental organization with <ul style="list-style-type: none"> 11 Partner Countries 19 Non-Country Partners 19 Collaborating Agencies 	<ul style="list-style-type: none"> voluntary country contributions: RO Korea, PR China, Japan, Singapore, Philippines, Timor-Leste, Indonesia GEF/UNDP Norwegian Ministry of Foreign Affairs GIZ Coca-Cola Non-Country Partners: implement their projects, which contribute to the goals of the SDS-SEA.
5. Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (PERSGA)	Protection of coastal and marine environment from pollution, rational management of living marine resources, climate refuge for coral reefs, safety for international maritime transport.	Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment (Jeddah Convention)	7 Member countries: Djibouti, Egypt, Jordan, Saudi Arabia, Somalia, Sudan, and Yemen	PERSGA budget is funded by country contributions: the Kingdom of Saudi Arabia pays 50% of the PERSGA budget, Egypt pays 30%, and the remaining countries contribute between 3.7% and 2.5%.

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
6. Coral Triangle Initiative for Coral Reefs, Fisheries and Food Security	Seascape, habitat, and biodiversity protection	Leaders' Declaration signed by president and prime ministers of the participating countries	multilateral collaborative partnership involving six countries: <ul style="list-style-type: none"> a. Indonesia b. Malaysia c. Philippines d. Papua New Guinea e. Solomon Islands f. Timor-Leste 	<p>The Secretariat shall establish fund as follows:</p> <p>(1) Parties will contribute to the General Fund of the Secretariat on the following basis:</p> <ul style="list-style-type: none"> i. The total amount to be contributed will be determined by the CTI COM based on the draft annual budget provided by the Secretariat. ii. Sixty percent (60%) of the amount identified in item (i) above shall be contributed by each of the Parties in equal shares. iii. The remainder of the total amount identified in item (i) above shall be divided between the Parties based upon the relative size of their gross domestic product (GDP) as calculated by the most recent year for which GDP figures are available for all Parties. <p>(2) Temporary Restricted Fund</p> <ul style="list-style-type: none"> i. <i>CTI-CFF Funds</i> – Grants/Donations from CTI Development Partners. ii. <i>Special Funds</i> – Grants/Donations from donors other than CTI Development Partners. iii. <i>Surplus Funds</i> – Any cash surplus at the close of a financial year

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
III. UN AGENCY (UNEP/UNDP/UNOPS)-LED OR INCUBATED PROGRAMMES — ENVIRONMENT FOCUS				
7. Northwest Pacific Action Plan (NOWPAP)	wise use, development, and management of the coastal and marine environment while protecting human health, ecological integrity and the region's sustainability for future generations	Action Plan for the Protection, Management and Development of the Marine and Coastal Environment of the Northwest Pacific Region was adopted in 1994 as part of UNEP's Regional Seas Programme	4 member countries: a. China, b. RO Korea c. Japan d. Russian Federation	NOWPAP Trust Fund: Each member country contributes the appropriate amounts to the Fund. Activities agreed upon under the action plan, and approved budget will be financed by contributions from the Member States, voluntary contributions from governments, and on a project basis - by supporting organizations, international organizations, and NGOs.
8. Coordinating Body for the Seas of East Asia (COBSEA)		Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Region, adopted in 1981	8 member countries: a. Cambodia b. People's Republic of China c. Indonesia d. Republic of Korea e. Malaysia, the Philippines f. Thailand g. Singapore h. Viet Nam	East Asian Seas Trust Fund supports the core functions of COBSEA including the Secretariat and IGMs. Financial support for the action plan may come from: a. Contributions from participating governments according to a scale determined by the governments concerned. b. Contributions from the participating governments, made in addition to the regular contributions or (a) above. c. Contributions from other governments supporting the action plan but not participating in it. d. Support from any UN organization on a project-funding basis. e. Support from the regional and international organizations, which are not part of the UN System., and regional development banks on a project-funding basis. f. Support from bilateral and multilateral donors. g. Any other source of funding agreed to by the participating governments.

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
9. Wider Caribbean	<p>Implementation of the Caribbean Environment Programme as part of UNEP’s Regional Seas Programme.</p> <p>The Wider Caribbean Region, as defined under the “Cartagena Convention”, is composed of 3 Large Marine Ecosystems: Gulf of Mexico LME, Caribbean LME, and North Brazil Shelf LME.</p> <p>The combination of the latter two LMEs is referred to as the CLME+ region.</p>	<p>Cartagena Convention: Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region,</p> <p>- Oil Spills Protocol</p> <p>- Protocol for Specially Protected Areas and Wildlife (SPAW Protocol).</p> <p>- Protocol Concerning Pollution from Land-Based Sources and Activities to the Cartagena Convention (LBS Protocol)</p>	26 Contracting Parties to the Cartagena Convention , and Oil Spills Protocol	<p>Caribbean Trust Fund:</p> <p>(1) Ordinary contributions: consist of the <i>voluntary</i> contributions made by Contracting Parties at the amount agreed to by each Contracting Party for each fiscal year on a biennial basis. The level of contributions should, at a minimum, guarantee the overall costs of the Secretariat.</p> <p>(2) Extraordinary contributions are funds provided beyond ordinary contributions and include those contributions made by Contracting Parties, non-Contracting Parties, or other donors.</p>
10. Mediterranean Sea Regional Seas Programme	marine pollution reduction, protection of biodiversity	Convention for the Protection of the Mediterranean Sea Against Pollution (Barcelona Convention), complemented by 7 protocols.	22 Contracting Parties to the Barcelona Convention	<p>Mediterranean Regional Trust Fund to support the <i>Mediterranean Action Plan</i> (MAP). The resources of the Contracting Parties consist of:</p> <p>a. Country contributions: Contributions made each year by parties on the basis of an assessed scale adopted by consensus by the Contracting Parties and based on the applicable scale of assessments of the United Nations as may be adopted periodically by the General Assembly</p> <p>b. Discretionary Contributions made each year by parties in addition to those made pursuant to paragraph (a)</p> <p>c. Voluntary Contributions from States parties to the Convention, as well as other governmental, intergovernmental, and non-governmental organizations and other sources</p> <p>d. UNEP Contribution: The Executive</p>

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
				Director of UNEP may also allot funds to the Mediterranean Coordinating Unit. e. Miscellaneous revenue.
IV. UN AGENCY-LED PROGRAMMES — FISHERIES FOCUS, FAO LED OR INCUBATED				
11. Asia-Pacific Fishery Commission (APFIC)	development and management of fishing and culture operations, processing, and marketing	APFIC Agreement (last amended and approved in 1996-1997); APFIC Rules of Procedure; 2021 COFI Declaration on Sustainable Fisheries and Aquaculture (April 2021)	21 member countries	APFIC Secretariat is provided and supported by FAO
12. Bay of Bengal Large Marine Ecosystem (BOBLME)	Ecosystem characterization, TDA, sustainable fisheries management, livelihoods, habitat restoration, MPAs and fish refuge, regional transboundary governance architecture		8 collaborating countries	Partner donors include the FAO, GEF, US National Oceanic and Atmospheric Administration (NOAA), Norwegian Agency for Development Cooperation (NORAD), Swedish International Development Cooperation Agency (SIDA), International Union for the Conservation of Nature (IUCN), and the World Bank.
V. TREATY-BASED REGIONAL FISHERIES MANAGEMENT ORGANIZATIONS (RFMOS)				
13. Southeast Asia Fisheries Development Center (SEAFDEC)	sustainability of fisheries and aquaculture in Southeast Asia; research, training, coordination activities, development of responsible technologies		technical organization with no management authority; 11 member countries; 7 collaborating partners	Funding has been provided by ASEAN, the US, Japan, and other parties

Regional Mechanisms	Functions/Areas of Focus	Conventions, Treaties, Agreements	Number of Members	Funding
14. Regional Plan of Action to Promote Responsible Fishing Practices Incl. Combating IUU Fishing in the Region (RPOA-IUU)	conservation of the marine environment, sustainable management of fishery resources, capacity development in fisheries management, and combating IUU fishing in the region.	Joint Ministerial Statement	Treaty-based Intergovernmental organization; Ministries responsible for fisheries in 10 countries	RPOA-IUU members are requested to make provision in their agency budgets to enable active participation in RPOA meetings, workshops, and implementation.
15. Western and Central Pacific Fisheries Commission (WCPFC)	to address problems in the management of high seas fisheries resulting from unregulated fishing, over-capitalization, excessive fleet capacity, vessel re-flagging to escape controls, insufficiently selective gear, unreliable databases and insufficient multilateral cooperation in respect to conservation and management of highly migratory fish stocks	Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (2004)	Treaty-based FAO-authorized Intergovernmental Organization (IGO), Regional Fisheries Management Organization (RFMO). Members: 26 countries and 7 territories. Co-operating non-members: 9	Annual dues from members, based on the following formula: 1. All members pay the same Base Fee , which accounts for 10% of the approved annual budget. 2. National wealth comprises 20% of the budget and is based on the member country's GDP. 3. The variable Fee is based on the total catch taken within the EEZ of each member and beyond areas of national jurisdiction by flagged vessels, with a discount factor applied to catch taken by developing states or territories in their own EEZ or by vessels flying its flag. 4. The Convention may also receive voluntary contributions , and other funds that WCPFC may receive.

ANNEX 2: Financing Institutions, Aid Agencies, and Foundations with Ocean Financing Initiatives⁶⁵

1. International financing institutions/multilateral development banks

Table 21. Ocean financing initiatives of multilateral development banks

IFIs/MDBs	Ocean financing initiatives
Asian Development Bank (ADB)	Ocean Financing Framework Oceans Financing Initiative
KfW	Blue Action Fund
Japan Bank for International Cooperation (JBIC)	JBIC Sustainability Initiatives (Environment): Green Bonds
World Bank	PROBLUE (supports blue economy, sustainable fisheries, marine protected areas, marine debris management, etc.)

⁶⁵ Research assistance from Danniell Figueroa.

Table 22. Financing Programs of Major Multilateral Development Banks

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
1. World Bank	PROBLUE	PROBLUE is a new Multi-Donor Trust Fund, housed at the World Bank, that supports the development of integrated, sustainable and healthy marine and coastal resources. With the Blue Economy Action Plan as its foundation, PROBLUE contributes to the implementation of Sustainable Development Goal 14 (SDG 14) and is fully aligned with the World Bank’s twin goals of ending extreme poverty and increasing the income and welfare of the poor in a sustainable way.	As of June 30, 2022, PROBLUE’s total available fund balance under the PROBLUE MDTF and SDTF, taking into account funds received from donors, disbursements, commitments, and investment income, was approximately \$121.3 million.	PROBLUE primarily works to support the World Bank’s client countries. To apply for PROBLUE support for a specific country, the relevant ministry works with the World Bank in that country. Together they identify and outline the work that will best contribute to sustainable and integrated development in healthy oceans. A detailed proposal is submitted to PROBLUE for support on behalf of both parties. Interested parties within the country, be they national, municipal or provincial government representatives, need to reach out to their national/central ministry directly, who in turn will work with the World Bank to submit a PROBLUE proposal. PROBLUE does not accept unsolicited proposals from the private sector, NGOs, or academia.	PROBLUE primarily works to support the World Bank’s client countries. To apply for PROBLUE support for a specific country, the relevant federal ministry works with the World Bank in that country. Together they identify and outline the work that will best contribute to sustainable and integrated development in healthy oceans. A detailed proposal is submitted to PROBLUE for support on behalf of both parties. In other words, interested parties within the country, be they national, municipal or provincial government representatives, need to reach out to their federal ministry directly, who in turn will work with the World Bank to submit a PROBLUE proposal. PROBLUE does not accept unsolicited proposals from representatives of the private sector, NGOs or academia.

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
2. Asian Development Bank	ADB Blue Bond	A blue bond is a relatively new form of a sustainability bond, which is a debt instrument that is issued to support investments in healthy oceans and blue economies. Like in the case of conventional bonds, investors lend money to a bond issuer, who agrees to repay the interest every year for the term of the bond plus the capital on a certain day. In a blue bond, earnings are generated from the investments in sustainable blue economy projects. Furthermore, the issuance of a blue bond enables investors to fulfill their corporate social responsibilities and generate benefit for the ocean and humankind	Due to the costs involved in issuing a bond, most blue bonds need to be at least \$50 million–\$500 million in scale. To service that debt over time a sizable portfolio of blue projects must be identified. It is recommended that the total portfolio of eligible blue projects (existing and new) is larger than the first issuance for both contingency and long-term planning.	<p>Projects eligible for Blue Bond financing should be in the following areas:</p> <ol style="list-style-type: none"> 1. Ecosystem and Natural Resources Management 2. Pollution Control 3. Sustainable Coastal and Marine Development <p>Eligible projects for blue bond financing are identified by taking into account the additional selection criteria, including the project’s classification as outlined above, and the Sustainable Blue Economy Finance Principles.</p>	<ol style="list-style-type: none"> 1. Identify potential projects. Determine the size and composition of a portfolio of eligible blue projects (new and existing). If the portfolio is of sufficient size, then it is worth proceeding. 2. Define and document a national blue bond framework. An existing national green or sustainability bond framework may be suitable, so it is important to check that first. The creation of a blue bond framework, or the expansion of a green bond framework to explicitly include blue projects, is required to issue a blue bond. The framework will include the typology of blue projects (categorization of the types of projects allowed) as well as eligibility criteria for each sector. The framework will also indicate how the blue impact of the projects will be tracked and reported. 3. Seek external review. The framework needs to be externally reviewed by a second party opinion provider. CICERO Shades of Green and Sustainalytics are examples of firms with experience in blue bond framework review, but others are also available.
3. Kreditanstalt für Wiederaufbau (KfW) Development Bank	Blue Action Fund	Our Grant Programme supports marine conservation projects that are implemented by NGOs in their efforts to conserve the ocean and improve the livelihoods of coastal communities in developing countries.	€118,567,894	<p>Blue Action Fund provides grants to selected conservation projects in marine protected areas (MPAs) and their buffer zones, targeting the most sensitive coastal waters of Africa, Latin America and Asia/Pacific and focusing on projects with measurable outcomes in two areas:</p> <ol style="list-style-type: none"> 1. Newly established or better managed MPAs or networks of MPAs that result in conservation of biodiversity; 2. Enhanced livelihood conditions and food security. 	Blue Action Fund does not accept unsolicited proposals. We award our grants based on open Calls for Proposals only (see below). Each Call for Proposals may set a strategic and geographic focus that will need to be considered in addition to the general requirements. Please carefully consult the Grant Programme documents to see if your project concept will meet all requirements and will measurably contribute to the prescribed indicators.

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
4. Japan Bank for International Cooperation (JBIC)	JBIC Sustainability Initiatives (Environment): Green Bonds	<p>Green Bonds are bonds the net proceeds of which are used exclusively for the purpose of providing financing for projects that will contribute toward climate change measures and environmental preservation, such as projects relating to renewable energy, clean transportation, and green buildings.</p> <p>The Japan Bank for International Cooperation (JBIC) aims to contribute to realizing a sustainable society and environment through green finance and we issue Green Bonds to raise the necessary funds for green finance.</p>	No specified amount	<p>JBIC has developed the Japan Bank for International Cooperation Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance loans for projects that generate environmentally benefits. The Framework defines eligibility criteria in three areas:</p> <ol style="list-style-type: none"> 1. Renewable Energy/Clean Energy 2. Clean Transportation 3. Green Buildings 	<p>https://www.jbic.go.jp/en/ir/image/JBIC_greenbond_framework_en.pdf</p>

2. Country development aid

Table 23. Development aid agencies

Donors/Aid Agencies	Financing initiatives
Australia: Department of Foreign Affairs and Trade (Development Cooperation Division), formerly AusAID	The Australian Climate Finance Partnership (ACFP) (eligible projects include solid waste management, blue carbon, marine and coastal ecosystem protection, etc.)
Canada: Global Affairs Canada (formerly CIDA)	Canada’s climate finance for developing countries
France: Agence Française de Développement (AFD)/French Development Agency	Supports integrated coastal zone management (ICM), sustainable fisheries, plastic pollution reduction, restoration of ecosystem services, and adaptation to climate change
Germany: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Supports blue economy, solid waste management for sustainable marine litter reduction, habitat restoration and MPAs
Spain: Spanish Agency for International Development Cooperation (AECID)	Grants to organizations for projects in water and sanitation, fisheries, energy, natural resources, and environmental management
United Kingdom: Foreign, Commonwealth, and Development Office (FCDO)	Blue Planet Fund
United States of America: US Agency for International Development (USAID)	USAID funding supports sustainable fisheries and livelihoods, marine protected areas, climate action, marine pollution reduction

Table 24. Financing Programs of Development Aid Agencies and UN Agencies

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
<p>Australia: Department of Foreign Affairs and Trade (Development Cooperation Division), formerly AusAID</p>	<p>The Australian Climate Finance Partnership (ACFP)</p>	<p>The Australian Climate Finance Partnership (ACFP) is a concessional financing facility managed by the Asian Development Bank (ADB) and funded by the Australian Department of Foreign Affairs and Trade (DFAT) through a grant contribution of up to AU\$140 million.</p>	<p>AU\$140 million</p>	<p>Eligible project types include the following climate mitigation and adaptation related subsectors: renewable energy, sustainable transport, energy efficiency, land-use and agribusiness, water supply and sanitation/wastewater treatment, solid waste management, blue carbon, agriculture and forestry, land use management, resilient infrastructure, marine and coastal ecosystem protection, healthcare, and disaster risk management. Other project types will also be considered if they can demonstrate positive climate outcomes.</p> <p>The ACFP offers financing to nonsovereign entities including private sector companies, financial institutions, and specialized fund managers developing projects in the following ADB developing members:</p> <p>Pacific: Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu</p> <p>Southeast Asia: Cambodia, Indonesia, Lao People’s Democratic Republic, Myanmar, Philippines, Viet Nam</p>	<p>No specified steps for application</p>
<p>Canada: Global Affairs Canada (previously Canadian International Development Agency, absorbed into Foreign Affairs, Trade, and Development Canada)</p>	<p>Canada’s climate finance for developing countries</p>		<p>\$5.3 billion</p>	<p>All projects that receive support from Canada’s international climate finance program must demonstrate that they meet the following eligibility criteria:</p> <ol style="list-style-type: none"> 1. The project must demonstrate climate change (adaptation and/or mitigation) as the project’s principal objective (CC2 policy marker coding). 2. The project must respect Official Development Assistance (ODA) country eligibility. 3. The project must integrate gender equality considerations. 4. In order to promote alignment with both Canadian values and developing country needs, the project must demonstrate that it contributes to a minimum of 2 of 5 climate finance policy objectives. 5. The project results must align with the Climate Finance Program Results Framework. 6. If requesting URC funding, projects should demonstrate alignment with the OECD DAC blended finance principles. 	<p>How to submit a proposal</p> <p>For information on how to submit a proposal, please visit Apply for funding through an unsolicited proposal.</p> <p>When submitting your proposal through the portal, please ensure it includes the information that is required in a standard concept note (see Guidance for Concept Notes) as well as an annex of no more than 1,000 words explaining how your proposal meets the Eligibility Criteria.</p> <p>Global Affairs Canada will consider project proposals on a rolling basis. Decisions regarding project funding will be made in accordance with departmental processes, and will be subject to funding availability.</p>

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
Canada: International Development Research Centre (IDRC)	Research Grant	IDRC offers grants, funding, and awards to researchers and institutions to find solutions for global development challenges.	No specified amount	<ol style="list-style-type: none"> 1. Is the research topic aligned with IDRC's priorities and activities? 2. Does it relate to one of the Centre's areas of focus? 3. Is its intention to generate new knowledge and avoid duplication of previous research? 4. Is its rationale evidence-based? 	Through calls for research proposals, we fund projects that aim to foster climate-resilient food systems, global health, education and science, democratic and inclusive governance, and sustainable and inclusive economies in developing countries. Gender equality and inclusion are also central to our strategy and the research we support.
Denmark: Danish International Development Agency (DANIDA)	Research Grant	<p>Denmark's development policy aims to combat fighting poverty through promotion of human rights and economic growth.</p> <p>DANIDA has responsibility for the planning, implementation and quality assurance of Denmark's development cooperation. There are local and posted staff at Danish embassies and missions abroad who are responsible for the administration and management of Denmark's development cooperation with the individual country.</p>	No specified amount	No specified criteria	No specified steps for application
European Union: Directorate-General for International Partnerships	Grant	With grants, we financially support specific projects or operations that are in line with our external action objectives. These financial donations can cover a wide range of sectors and areas and are usually awarded following a call for proposals. Any development organisation meeting the requirements of a specific call can apply for the related grant.	No specified amount	No specified criteria	<ol style="list-style-type: none"> 1. Search for a grant opportunity on our Calls for proposals and tenders publication website. 2. Read the guidelines for grant applicants carefully and check if your organisation is eligible. 3. Register your organisation in the Potential Applicant Data Online Registration (PADOR). 4. Submit your application within set deadline and under the call's terms, either by post if allowed or, in most cases, online via the e-Calls PROSPECT portal.

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
Finland: Department for International Development Cooperation (FINNIDA)	Funding	The Institutional Cooperation Instrument (ICI) is used to support Finnish government agencies' and public bodies' participation in development cooperation. The projects' objective is to strengthen the skills and knowledge of state actors, such as ministries and government agencies, in developing countries.	No specified amount	<p>Eligibility for the actual project planning phase is based on assessment of Concept Notes in the Ministry for Foreign Affairs.</p> <p>The general minimum eligibility criteria are:</p> <p>The Concept Note is based on a well-grounded need. The Concept Note's main focus is capacity development. The Concept Note can make use of the special expertise of a government agency or public body. The budget of the Concept Note (funding needs) is appropriate for an ICI project. Projects that meet the minimum criteria are put in an order of priority based on the following factors:</p> <p>Evidence of the partner country agency's ownership of the expected results and project approach, including partner country agency's participation in the preparation of the Concept Note. Account of concrete aspects that necessitate the project and its anticipated added value to the partner country agency. Contribution to the objectives of the possible country strategy of the MFA with regard to the partner country as well as the complementarity of the project to other cooperation between Finland and the partner country (including Team Finland work, private sector and civil society support). Availability of financial resources in the MFA Regional Department.</p>	No specified steps for application
Spain: Spanish Agency for International Development Cooperation (AECID)	Grants	Grants to organizations in Spain and developing countries for projects in water and sanitation, fisheries, energy, natural resources, and environmental management	No specified amount	Among Spain's thematic program areas for its development cooperation are rural development and food security; water and sanitation; and environmental sustainability and climate change.	Grants are made through an annual call for proposals.
Switzerland: Swiss Agency for Development and Cooperation (SDC)	Program Grants	Funding for projects and research in themes of agriculture and rural development, water management, and climate change and environment	No specified amount	Among SDC's several thematic priorities, those of principal importance for the Terra Viva Grants Directory include rural development and food security; water resources; and climate change and environment.	Program grants are negotiated by each Swiss NGO directly with SDC. Mandates are open to public competition, sometimes including eligibility by non-Swiss organizations and individuals

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
Switzerland: Helvetas	None	None	No specified amount	<p>Successful partnerships are an essential asset for achieving sustainable change. It is therefore important for Helvetas to get to know new partners thoroughly before starting a new cooperation. We use quality criteria that help us assess opportunities and risks of a partnership. The criteria are divided into 4 categories and are central for effective cooperation:</p> <ol style="list-style-type: none"> 1. Consistency & values: What are the complementarities in the partnership? What are our common values and goals? 2. Organisational development: What's the professional level of a partner? What management capacities does the partner have? Depending on the answers, we offer support in organizational development. 3. Risks: Are there ethical or legal aspects that could put the partnership at risk? For example, how does the partner address the risk of fraud and corruption or how is gender equality ensured? We set minimum requirements, and we support partners if they do not meet them. If the risks are too high, we may refrain from partnering. 4. Ethical standards: The exclusion criteria represent a minimum ethical standard that Helvetas sets for all partnerships. For example, we do not work with organisations who are trading or investing in weapon or who use child labour. If a potential partner does not meet these criteria, a partnership is not possible. 	
United Kingdom: Foreign, Commonwealth, and Development Office (FCDO)	Blue Planet Fund	The Blue Planet Fund is the UK's £500 million programme supporting developing countries to protect the marine environment and reduce poverty.	£500 million	<p>The Blue Planet Fund helps developing countries:</p> <ol style="list-style-type: none"> 1. reduce poverty 2. protect and sustainably manage their marine resources 3. deal with human-generated threats across 4 key themes: biodiversity, climate change, marine pollution and sustainable seafood 	
United States: United States Agency for International Development (USAID)	USAID Funding	Our objective is to support partners to become self-reliant and capable of leading their own development journeys. We make progress toward this by reducing the reach of conflict, preventing the spread of pandemic disease, and counteracting the drivers of violence, instability, transnational	No specified amount	<p>USAID has Missions in more than 80 countries and programs in more than 100. We work in a variety of technical areas: agriculture; economic growth; environment; education; democracy, human rights, and governance; women's empowerment; water and sanitation; and global health. USAID also responds to humanitarian disasters. We accomplish this work while spending less than one percent of the total U.S. federal budget.</p>	<p>USAID generally follows these steps:</p> <p><i>Step 1: Project Design</i> To understand challenges and the resources available to address them, USAID Missions develop an overarching Country Development Cooperation Strategy (CDCS) with substantial input from partner governments and from industry, civil society, and development partners. From the CDCS, we design projects and activities to create an Acquisition and Assistance (A&A) plan.</p>

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
		<p>crime and other security threats. We promote American prosperity through investments that expand markets for U.S. exports; create a level playing field for U.S. businesses; and support more stable, resilient, and democratic societies. We stand with people when disaster strikes or crisis emerges as the world leader in humanitarian assistance.</p>			<p><i>Step 2: Activity Requirement</i> USAID defines the expected results for distinct activities, which may be funded through an A&A award. Organizations interested in working with us submit a proposal in response to a solicitation that describes the program and explains how USAID will make its decision.</p> <p><i>Step 3: Market Research</i> USAID conducts market research to explore different ways to achieve our development objectives and to gather information about local capacity, the participation of small business, and the feasibility of our anticipated requirements. One way we do this is through a Request for Information (RFI).</p> <p><i>Step 4: Solicitation</i> Solicitations describe the requirement or program and explain how USAID will evaluate submissions. They can take different forms, such as a Request for Proposal (RFP), a Notice of Funding Opportunity (NOFO), an Annual Program Statement (APS), or a Broad Agency Announcement (BAA). You can find them through: USAID’s Business Forecast (for all USAID opportunities).</p> <p><i>Step 5: Evaluation</i> As a part of the technical proposal review, typical evaluation criteria include the following:</p> <ol style="list-style-type: none"> 1. Past performance (does not have to be USAID past performance). 2. Technical approach. 3. Personnel. 4. Corporate capability. 5. Management plans. 6. In each solicitation, USAID provides the criteria it will use to make an award decision (including technical and cost/price factors) and specifies each factor’s relative importance.

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
					<p><i>Step 6: Negotiation</i> Your organization may be contacted by a Contracting or Agreement Officer (CO/AO) if your proposal or application is being considered for an award. The CO/AO will be your organization's key point of contact for doing business with USAID.</p> <p>If USAID wants to negotiate with your organization before deciding whether to grant you an award, your organization should learn about our policies, which will be a part of the contract or assistance award.</p> <p><i>Step 7: Award</i> Once these steps are completed, USAID will make the award to the selected organization. In most cases, the organization will be invited to a post-award conference to discuss the project and review the terms and conditions of the award. In addition, throughout the implementation period, the organization may contact the Contracting or Agreement Officer's Representative (COR/AOR) designated in the award for technical guidance. All matters concerning the award itself must be directed to the Contracting or Agreement Officer.</p> <p>If the organization cannot reach an agreement with the above individual officers, contact our Agency Ombudsman.</p> <p>USAID is dedicated to protecting the integrity of our foreign assistance efforts and the taxpayer funds entrusted through awards. See the <i>Compliance</i> section of our website for further information.</p>
UN AGENCIES					

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
1. International Maritime Organization (IMO)	Technical Cooperation (TC) Fund	The TC Fund is the mechanism for the delivery of the Integrated Technical Cooperation Programme (ITCP). The resources of the TC Fund are used to assist developing countries in building their human and institutional capacities for the effective implementation of the global maritime standards adopted by the Organization.	No specified amount	IMO's Integrated Technical Cooperation Programme (ITCP) runs and supports a wide variety of national and regional training courses, seminars and advisory missions all over the world. These events provide expert advice on how to implement and enforce IMO rules and standards – providing valuable technical assistance to countries working to improve their maritime sectors. These events are carried out by IMO staff and the Organization's extensive international network of experts and consultants, many of whom are WMU/IMLI graduates.	No specified steps for application on the website
2. United Nations Development Programme (UNDP)	Blue Accelerator Grant Scheme	The Blue Accelerator Grant Scheme, funded by UNDP, aims to support statutory organisations, private businesses, cooperatives, civil society organisations, non-government organisations and community based organisations, who have developed highly promising blue economy projects that are aligned to national development priorities and have a compelling business case to support either a pilot phase or a scale up phase. It is separate to the Blue Bond but is expected to create a pipeline of projects that could then be supported by the Blue Bond, such as through the Blue Investment Fund. This call for proposal seeks well developed funding proposals for projects that have already done substantial preparatory works and need financial	No specified amount	<ol style="list-style-type: none"> 1. Statutory organization, registered PBs, CSOs, NGOs, and CBOs in Fiji involved in the blue economy space and supporting gender sensitized national development or are either involved in community development in one or more of the priority areas for this grant scheme or are interested in integrating sustainable blue economy approaches into their existing programmes/projects/initiatives. 2. Community Based Organisations (for example: youth groups, women's groups, religious groups, as well as social enterprises) that are involved in community development, are encouraged to apply with a letter of support from local/subnational government partner or registered CSOs and NGOs. 3. Applicants are encouraged to submit their letters of partnership with local/subnational government stakeholders, CSO/NGO partners, government gender machinery and government agencies responsible for climate change and disaster risk management. Selected applicants might be required to submit support letters from partner public agencies. Land access/ title rights may also need to be submitted where applicable. 	<ol style="list-style-type: none"> 1. Fill out the Funding Proposal Template and provide all relevant documents 2. Please send 1 & 2 above electronically in one file (PDF format) signed and scanned to the following email: blueacceleratorgrantscheme@gmail.com. If additional clarifications are required, questions can be sent to the same email address indicated above by 27 June 2022. 3. Answers to questions will be provided within two working days and will be posted for the benefit of all applicants.

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
		support to rapidly operationalise or scale.			
3. United Nations Environment Programme (UNEP)	Environment Fund	The Fund provides the bedrock for the work of UNEP worldwide, supporting countries to deliver on the environmental dimensions of the 2030 Agenda. It is critical to the work in science, policy and environmental governance and law, which in turn helps drive positive impact for the environment.	No specified amount	https://www.unep.org/about-un-environment-programme/funding-and-partnerships/environment-fund	https://www.unep.org/about-un-environment-programme/funding-and-partnerships/environment-fund

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
<p>4. Food and Agricultural Organisation of the United Nations (FAO)</p>	<p>“Business Incubator and Accelerator (BIA) for Mountains and Islands”</p>	<p>Titled “Business Incubator and Accelerator (BIA) for Mountains and Islands”, the grant programme will be implemented in the Dominican Republic, Ethiopia, Guatemala, Fiji, Kyrgyzstan, Mongolia, Nepal, Peru, the Philippines and Uganda.</p>	<p>The BIA for Mountains and Islands has a total budget of USD 150 000 to be granted in each participating country. Grants will range from USD 15 000 to USD 50 000 per project. Additional funding has been allocated for technical assistance and capacity development.</p>	<ul style="list-style-type: none"> • To be considered eligible to receive a grant through the BIA for Mountains and Islands, a project proposal must meet all of the following criteria: • The lead applicant is either a non-governmental organization that is at least one year old, OR a Producer Organization (i.e. cooperative, community-based organization, association) that is at least one year old and has at least five members; The lead applicant is formally registered in the country where the project is based; • The lead applicant submits only one application; The lead and partner applicants are not bankrupt, liquidated or administered by the courts; • The lead applicant and/or partner applicant operate in a mountainous area¹ or on an island in one of the following countries: the Dominican Republic, Guatemala, Fiji, Kyrgyzstan, Ethiopia, Mongolia, Nepal, Peru, the Philippines or Uganda; • The lead applicant provides all the necessary documentation proving that the above criteria are met; • The proposed project includes an applicant's matching contribution of no less than 50 percent of the requested grant; • The lead applicant provides evidence of ability (i.e. physical and legal) to use capital and/or other assets that are involved in their investment plan (i.e. agricultural land, building, machinery, labour, skills, etc.); • The lead applicant is a member of the Mountain Partnership (MP). If not, the lead applicant shall join the MP before the establishment of the grant agreement; and The proposed project targets one of the following areas of work: <ul style="list-style-type: none"> Biodiversity; Sustainable forest management; Climate change mitigation and community-based adaptation; Natural resources management; and/or Strengthening of local economies. 	<p>This is the online application portal to submit project proposals to receive grants through the BIA for Mountain and Islands. Applicants will be required to present documentation to prove that they meet the eligibility criteria (see below).</p> <p>Before submitting a project proposal, applicants should carefully review the Applicant Information Booklet, available in English and Spanish.</p> <p>For questions and clarification, please contact the BIA Team at MP-BIA@fao.org. Any request for clarifications or questions submitted after the application deadline will not be considered.</p>

Organization	Financing Program	Overview	Funds Available	Eligible Projects/Eligibility Qualifications	How to Apply for Funds
5. UNESCO/IOC	World Heritage Fund	The Fund for the Protection of the World Cultural and Natural Heritage of Outstanding Universal Value, called "the World Heritage Fund", was established in 1977 under Article 15 of the World Heritage Convention.	The World Heritage Fund amounts to 5.9 million dollars for the biennium 2022-2023, plus 0.4 million dollars for Emergency assistance as defined in article 21.2 of the World Heritage Convention.	<p>The World Heritage Committee allocates most of the budget of the World Heritage Fund for the services of the Advisory Bodies on one hand, and for International Assistance on the other hand.</p> <p>There are also budget lines, among others, for Periodic Reporting, Reactive monitoring, activities in relation to sites inscribed on the List of World Heritage in Danger, the World Heritage Education Programme, the Upstream process, the World Heritage Review.</p>	No specified steps for application on the website

3. Foundations and Philanthropies

Table 25. Available ocean financing from foundations and philanthropies

Foundations and Philanthropies	Ocean financing initiatives
David and Lucile Packard Foundation – US\$982 million	Ocean Initiative
Nippon Foundation – US\$844 million	Back to Blue
Gordon and Betty Moore Foundation – US\$622 million	Marine Conservation Initiative
Walton Family Foundation – US\$420 million	Ocean
Novamedia/Postcode Lotteries – US\$239 million	Nationale Postcode Loterij
Marisla Foundation – US\$226 million	Environment Program
Bloomberg Philanthropies – US\$204 million	Bloomberg Ocean Initiative
Simons Foundation – US\$190 million	Simons Early Career Investigator in Aquatic Microbial Ecology and Evolution Awards
Oak Foundation – US\$184 million	Environment Programme
Dalio Philanthropies – US\$105 million	Ocean Exploration and Awareness Program
Oceans 5 – US\$82 million	Ocean 5 Fund
Margaret A. Cargill Philanthropies – US\$75 million	Grant
National Philanthropic Trust – US\$71 million	Donor-Advised Fund
Waitt Foundation – US\$61 million	Rapid Ocean Conservation Grants
Arcadia Fund – US\$52 million	Protecting Endangered Nature
Builders Initiative – US\$50 million	Oceans
Paul G. Allen Family Foundation: US\$48 million	Global Fund for Coral Reefs
Bertarelli Foundation: US\$47.5 million	Marine Protection

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