



PEMSEA/WP/2017/41

PROCEEDINGS OF THE PNLG FORUM 2017

**Sanya Visun Royal Yacht Hotel
Sanya, PR China**

5–6 December 2017



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Executive Summary

The PNLG Forum 2017 was hosted by the Local Government of Sanya City, Hainan, PR China, from December 5-6, 2017 at the Sanya Visun Royal Yacht Hotel. With the theme, “Conservation to Ecological Restoration of Coastal Areas for Blue Economy” the PNLG Forum gathered over 120 delegates from 31 local governments in 9 countries (Cambodia, China, Indonesia, Malaysia, Philippines, RO Korea, Thailand, Timor-Leste and Vietnam), as well as representatives from the PNLG associate members (Coastal and Ocean Management Institute and First Institute of Oceanography of the State Oceanic Administration of China).

The Technical Session of the PNLG Forum 2017 explored various case studies on Conservation and Ecological Restoration in Cambodia, China, Japan, Thailand and Vietnam. This was followed by a facilitated panel discussion to further examine conservation and restoration efforts in the area of the ICM program. Three fundamental elements were identified by the panel to promote ecological restoration: (1) Political will; (2) Technical and management capacity; and (3) Financial Capacity.

The Technical Session also covered the PNLG Strategic Action Plan 2016-2021 and a dialogue on investments in the Sustainable Development Goals (SDGs) at the Local Level. On the PNLG SAP, a synthesis of commitments made by members in their individual SAPs was presented and the members agreed to proceed with the online PNLG SAP tracking system beginning January 2018 to ensure more accurate tracking and reporting of commitments and progress. The discussion on investments, on the other hand, emphasized the following key messages: (1) the PNLG has different capacities but similar problems; (2) The PNLG members can address the common problems by helping its neighbors to move forward collectively; (3) PNLG’s resolve should be hinged on the UN SDGs’ principle that “no one gets left behind”; and (4) There is no plan B for the oceans and thus the PNLG must recognize the important role of investors in bringing the necessary funding with social impacts.

The General Assembly Session noted the PNLG Progress Report 2016-2017 and adopted the PNLG work plan and budget with allocation for PNLG activities at XWOW and EAS Congress 2018. The Assembly also adopted the PNLG Fund Management Guidelines which specifies the process and arrangements for managing the PNLG Trust Account (based on the collection of membership fees) starting January 2018. The Assembly also welcomed three new members of the PNLG: the Mayors of Dili, Liquica, and Manatuto (Timor Leste) represented their local governments and signed the PNLG Charter. With their addition, the PNLG now has 48 local government members and 2 Associate members. The Governor of Guimaras, Philippines, formally accepted the PNLG Flag during the turnover Ceremony as the next host of the Forum in 2018.

A field trip was conducted by the Local Government of Sanya featuring its ecological restoration efforts including the Sand Artificial Restore Project at Sanya Beach Engineering Sand Filling Site, the Mangrove Nature Reserve at Yalong Bay, and the Marine Ranching Project at Wuzhizhou Island Tourist Area.

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A. INTRODUCTION

- i. The 2017 PEMSEA Network of Local Governments for Sustainable Coastal Development (PNLG) Forum was held at Visun Royal Yacht Hotel, Sanya City, Hainan Province, People's Republic of China on December 5-6, 2017. The Government of Sanya City hosted the forum.
- ii. The Forum was attended by representatives from PNLG members from Cambodia (Kampot, Kep, Koh Kong, and Sihanouk); PR China (Changyi, Dongying, Fangchenggang, Haikou, Laoting, Lianyungang, Pingtan, Quanzhou, Sanya, and Xiamen); Indonesia (Sukabumi and Tangerang); Malaysia (Northern Selangor, Port Klang, and Sepang); Philippines (Bataan, Cavite, and Guimaras); RO Korea (Ansan and Changwon); Thailand (Chonburi); Timor-Leste (Dili, Liquiçá, and Manatuto); and Vietnam (Danang and Quangnam). The PNLG Associate members were also present in the forum: the Coastal and Ocean Management Institute (COMI) of Xiamen University; and the First Institute of Oceanography, State Oceanic Administration (SOA) of PR China. Invited presenters from the Ocean Policy Research Institute of the Sasakawa Peace Foundation of Japan, and Prince of Songkla University of Thailand were also present.
- iii. The PNLG Secretariat in Xiamen and PEMSEA Resource Facility (PRF) served as the Secretariat for the forum, while Sanya City served as the local secretariat.
- iv. The PNLG Forum Agenda and full list of participants are attached as Annexes 1 and 2.

B. OPENING CEREMONY

- i. Mr. Pan Shijan, Secretary General of the PNLG Secretariat, delivered his opening remarks. Mr. Pan highlighted the steady growth of PNLG as a network and the value that it has brought to various local governments who are implementing ICM. He commended the commitment of the members in pursuing sustainable coastal and ocean development. He encouraged all members to actively participate in the discussion and in identifying ways to further strengthen the PNLG. Mr. Pan also expressed appreciation to the Sanya City Government for hosting the PNLG Forum 2017.
- ii. On behalf of the PNLG, Mrs. Noraini Binti Roslan, PNLG President, welcomed all the Local Chief Executives and delegates at the Forum. She conveyed her appreciation towards the Sanya City government for their efforts in organizing this year's event. Prior to her speech, Mrs. Noraini

offered her sympathy and prayers to the PNLG Members from the Bali Province who were not able to attend due to the eruption of Mt. Agung.

In her speech, she highlighted the continuing expansion of the network as 3 new members from Timor Leste (Dili, Liquiçá, and Manatuto) will be joining the PNLG. She also emphasized the importance of the PNLG Strategic Action Plan (SAP) 2016 – 2021 as a good start to monitor and report on the status of commitments in achieving the agreed targets and as an opportunity for all members to improve their policies and regulations for a better environment. She also commended the theme, "Ecological Restoration", for its relevance as a continuing effort of PNLG in pursuing a Blue Economy growth. The inclusion of the protection and restoration of the environment, particularly our oceans, should always be taken into consideration in the rapid economic development growth. Moreover, she stressed that in order to achieve each member's commitments, there is a need to link local plans and efforts with investments which will be further discussed in the forum. In closing, Mrs. Noraini expressed her hope for a successful PNLG Forum and encouraged everyone to reconnect with old friends and meet new ones as well.

Mr. Stephen Adrian Ross, PEMSEA Executive Director, then delivered his welcoming remarks. On behalf of PEMSEA, Mr. Ross expressed his sincere gratitude to Sanya City for hosting this year's Forum. He stated that this Forum marks the PNLG's 12th session since the local government network was formally established and emphasized that as the PNLG continues to evolve, there is a need to assess the progress and address the remaining challenges of the network. In particular, he pointed out the need to move from a planning and capacity development mode toward implementation and investment-focused programs. This is a difficult transition for many local governments, who may lack the capacity and know-how to develop bankable projects. In accordance with this transition, Mr. Ross indicated that the Forum will: a) explore local initiatives focusing on conservation, rehabilitation and ecological restoration, with its linkages to ICM and their benefits to local coastal communities in pursuing blue economy development; b) review the commitments of the PNLG Members to achieve relevant SDG targets; and c) introduce and explore a new undertaking within PEMSEA, namely to develop pilot investment projects at ICM sites in support of blue economy development. In closing, Mr. Ross reminded the meeting of an important event that will be occurring in 2018, the EAS Congress 2018 to be held in Iloilo City, Philippines, and invited the PNLG members to actively plan for and participate in this regional ocean event.

- iii. On behalf of the host city, Hon. Wu Yanjun, Mayor of Sanya City, gave his opening remarks. He thanked the PNLG Members for the opportunity of allowing Sanya City to host this year's forum and congratulated everyone for the success of this meeting. He recognized the importance of oceans in the economy and stated that the PNLG forum is a good platform for experience sharing among local governments in this area. He also shared their experience in ocean governance, particularly the policy of the National People's Congress on environmental protection which served as a guide for local level initiatives including the ecological restoration

projects of Sanya in 2015. He expressed his appreciation to the PNLG platform for sharing knowledge, experiences and achievements in sustainable development of the coastal and marine areas. He also conveyed that Sanya, through this platform, is willing to share its experiences and learning to other coastal cities as Sanya is also aiming to become a world class coastal city for tourism. In closing, he hopes that the forum will deepen and build relationships among and between various local governments and countries in support of blue economy development.

iv. Mr. Wu Qinjiang, Director General of Sanya Municipal Bureau of Oceans and Fisheries, delivered a keynote speech on the Ecological Restoration Work in Sanya City:

- Mr. Wu cited the government's involvement and commitment in protecting the environment. He underscored the endorsement by President Xi Jinping of China of the significance of the ecological environment and the establishment of the Hainan International Tourism Island for the development of the marine economy and improvement of marine infrastructure for the province. This was further supported when the Second Plenary Session of the Seventh Provincial Committee adopted the decision to strengthen the building of an Ecological Civilization.
- Sanya City is located in the southernmost tip of Hainan and consists of notable tourist attractions such as Yalong Bay, Sanya Bay, and Wuzhizhou Island. In June 2015, the Ministry of Housing and Urban-Rural Development selected Sanya as a pilot city for ecological restoration, including water quality improvement in surrounding rivers, mountain rehabilitation, and construction/expansion of the water and sewerage system.
- Mr. Wu shared that ecological restoration enhanced Sanya City, with the city reaping the benefits of beautiful landscapes, ecological gains, preservation of culture and economic growth.

v. Copies of the Opening Ceremony Speeches are found in Annex 3.

C. TECHNICAL WORKSHOP

1.0 Session 1: Case Study Presentations

Copies of the Powerpoint presentations are found in Annex 4.

1.1 Conservation of Coastal Ecosystems for Blue Economy: From Protection to Restoration

Dr. Andre Jon Uychiaoco, PEMSEA consultant, provided a brief overview that highlighted principles of conservation to ecological restoration, its linkages to ICM or application in coastal areas, and some experiences from within and outside the EAS region. He presented the current resources that the EAS region possesses such as coral reefs, seagrasses, salt/tidal marshes, mangroves, and sands and beaches. He then introduced three levels of intervention that

decision-makers need to consider in protecting, managing and recovering these resources, namely: (1) stop damaging activities; (2) maintain the ecosystem activities; and (3) facilitate the recovery of the system. He further explained to what extent coastal restoration is viable and what factors need to be taken into consideration in developing conservation management plans: (1) a clear understanding of ecosystem functions; (2) removal of the anthropogenic stressors that impede natural regeneration; (3) clearly defined criteria for measurement of restoration success; (4) long term monitoring (e.g., 15-20 years); and (6) involvement of community and other stakeholders. He emphasized that that we do not...actually carry out the work of recovery of an ecosystem but create the conditions and assemble components. The work of recovery is carried out by the biological ecosystems themselves. Dr. Uychiaoco ended his presentation by stating that the ICM cycle provides the appropriate direction and context. Simply follow the steps in ICM development and apply the aforementioned considerations when developing the action plan for habitat protection, restoration and management. Similarly, especially since coastal restoration is still in its early stages of development, as a PNLG member, share your experiences, progress and lessons learned with others who are also trying to conserve and rehabilitate coastal ecosystems.

1.2 Partnering for the Restoration of Coral Reef in Koh Rong Archipelago, Preah Sihanouk, Cambodia

Mr. Prak Visal, Technical Officer of the Project Management Office for the ICM Program in Preah Sihanouk Province presented an overview of the Coral Reef in the Koh Rong archipelago with an estimated value of USD 117 – 500 million. He recalled that the need to protect and conserve the coral reef arose due to a massive coral bleaching that occurred in May 2010. Since then, various steps have been taken to address this challenge including baseline coral reef surveys; gathering of coral reef data and socioeconomic data that was used to define zones for conservation, fishing and recreation; and establishment of permanent coral reef monitoring sites. Furthermore, Cambodia created its first large-scale marine protected area (MPA). It is a community-based MPA with 405 km² of zoned marine habitat and involves various stakeholders for development and management in support of livelihoods, tourism, and conservation. Other activities that support the restoration process include setting up a coral nursery and installing artificial reefs, supporting fisheries communities, and organizing marine patrols. Partners and collaborators provided technical support and capacity development in the preservation of coral reefs in Koh Rong. The conservation efforts resulted in tangible benefits to the environment and the concerned community including improved coral reef protection, enhanced ecotourism, increased knowledge/awareness and capacities at the local community level, and sustainable fisheries management.

1.3 Wuzhizhou Island Tourist Area Marine Ranching Construction, Sanya, China

Mr. Yang Xiaohai, Executive President of Blue Belt Marine Conservation Society, Sanya, China narrated that the Government of Hainan urged the province to develop the area into a leading

maritime state. Using a combination of methods including marine ranching and other advanced technologies, the objective is to restore marine fisheries and preserve aquatic resources for consumption and tourism in Wuzhizhou Island. In 2010, the government of Sanya City formulated the artificial reef implementation plan for the island. The first constructed artificial reefs were placed the following year. In 2016, the Sanya Municipal Bureau of Oceans and Fisheries launched a joint project to expand the marine ranching initiatives to 10,000 acres, amounting to a total of 300 million yuan worth of investment. By 2021, the government hopes to completely transform these reefs into a Submarine Ecological Park. Several stakeholders are actively supporting the marine ranching program including the Sanya Wuzhizhou Island tourist area, which established the management and monitoring of the artificial reefs, and the Sanya Municipal Bureau of Oceans and Fisheries which provides yearly investment for the project.

1.4 Ecological restoration in coastal and marine areas in Japan – multiple benefits and challenges

Mr. Masanori Kobayashi, Senior Fellow, Ocean Research Institute of the Sasakawa Peace Foundation, Japan, shared how Japan's Basic Plan on Ocean Policy and the implementation of ICM shaped the ecological restoration in coastal and marine areas in the country. One of the cases he highlighted was the changes of seagrass coverage in Hinase, Okayama Prefecture; wherein a huge decline of seagrass was discovered in 1985. In order to restore the seagrass, the Hinase Fishery Cooperative Association engaged the junior high school students in collecting the seagrass seeds. These seeds were then released to the ocean. Mr. Masanori also listed some important points in conserving and rehabilitating coastal ecosystems. These include: (1) Understanding the value of ecosystems and the loss incurred by ecosystem degradation; (2) Developing policy frameworks at the national, sub-national and local level; (3) Mobilizing multi-stakeholders and building partnership for sharing information and expertise and catalyzing collective actions; (4) Allowing external facilitators to provide scientific view points and options for consideration; and (5) fostering science-policy-stakeholder interface.

1.5 Restoration of living shorelines to strengthen the resilience of coastal communities, ecosystems, and economies to coastal erosion in Thailand

Prof. Sakanan Plathong, Prince of Songkla University, Thailand, presented the current problem of coastal erosion in their country. He discussed that coastal erosion can come from a natural phenomenon which is seasonal and recoverable. On the other hand, he explained that coastal erosion may also come from coastal development and coastal uses such as land reclamation, construction of buildings and seawalls, and over extraction of groundwater. Various techniques are available to address coastal erosion, including two basic approaches: (1) Living shorelines or the use of vegetation planting on the shoreline; and (2) Coastal structures or the building of offshore structures on suitable hardened shorelines. In addition, there are also options for coastal erosion management such as beach nourishment, mangrove plantation, and spatial planning. At present, Samut Songkhram Province has planted bamboo sticks in countering their

coastal erosion problem. Furthermore, the local leaders of the province's coastal communities including the heads of villages, sub-districts, and the mayor have created a Maeklong Declaration stating their strong support for mangrove reforestation and bamboo stick plantation.

1.6 Community-based mangrove restoration and management in Nui Thanh, Quang Nam Province, Vietnam

Ms. Nguyen Hoang Yen, Manager of Sea and Islands Sub-Department, DONRE, Quang Nam, Vietnam, introduced the restoration process of mangroves in An Hoa Lagoon, located in the coastal district of Nui Thanh, which supports a diversity of ecosystems such as mangroves, seagrass beds, coral reefs and sand bars. Prior to the start of the restoration process, consultations and sharing of studies among representatives of different social groups in the community were facilitated to raise awareness and understanding. Initial field assessments and consultations with other stakeholders were conducted to develop a restoration and management plan. A community fund for forest restoration and management was also set up to provide the necessary resources for mangrove restoration, management and livelihood development. Additional assessments were also made to build the foundation of livelihood development in the community. The outcomes of these initiatives: (1) strengthened and built the capacity of the local community for mangrove restoration and management; (2) increased the understanding of community and local authorities on community-based mangrove management; and (3) developed new partnerships and established strong connections among various stakeholders for mangrove restoration and management.

2.0 Open Forum

2.1 The following are the highlights of the open forum discussion:

- From the Case Study of Koh Rong, Cambodia. The methodology in valuing the coral reefs in Koh Rong which is estimated at USD 117-500 million was further clarified by Mr. Prak. He indicated that an international organization provided technical support in the valuation of the goods and services for the coral reefs and that the report can be made available to the participants upon request.
- From the Case Study of Wuzhizhou Island, PR China:
 - In response to the query on required water depth where marine ranching activities are being undertaken in Sanya, Mr. Yang cited 20 meters since it is the optimum depth for marine organisms to thrive and proliferate.
 - On the engagement of the private sector in ecological restoration and the expectations on the return of investment. Mr. Yang highlighted the rationale behind the ecological restoration in Sanya – there is growing recognition of the benefits provided by the oceans to humans. It is crucial for the coastal and marine

ecosystems to be restored and protected in order to sustain the goods and services that they provide. Mr. Yang also pointed out that the tourism activities in Sanya are expected to form into a return of investment.

3.0 Panel Discussion and Open Forum

3.1 Prof. Peng Benrong of Xiamen University, China, served as the moderator of the Panel Discussion. The members of the panel were: Hon. Kong Vitanak, Deputy Governor of Sihanoukville, Cambodia; Hon. Marwan Hamami, Regent of Sukabumi Regency, Indonesia; Mrs. Nurul Baiti Binti Zainuldin of Sepang Municipal Council, Malaysia; and Hon. Fernando Domingos de Alemida e Sousa, Mayor of Manatuto, Timor Leste.

3.2 The panel moderator raised the following questions to the panel:

- What are the desired or observed impacts and benefits of conservation projects in your local program? What are the challenges?
- How do you link conservation, rehabilitation or restoration efforts with your ICM program?
- How are you engaging the private sector in your conservation projects? Are you considering/would you consider investments by the private sector as a means of financing and sustaining conservation, rehabilitation or restoration projects? What are the potential investments you are considering?

3.3 The following were the highlights at the Panel Discussion and Open Forum:

- Political will – if the benefits are visualized by the politicians and will take special interest on the issue, ecological restoration can proceed. There are expected trade-offs that need to be addressed. An appropriate compensation scheme for the affected population can be developed. In terms of garnering support from the highest level of government to consider conservation to take priority over development, both top-down and bottom-up approaches are necessary. In instances where an environmental crisis occurs and where the general public is severely affected, this will put pressure on the national and sub-national governments to act in favor of environmental protection.
- Technical and management capacity – there is a need to train not only the decision makers but also the managers and planners. The involvement of scientists in the process is necessary to ensure scientific soundness of the restoration initiative as well as providing the science in the decision-making process.
- Financial capacity – it is necessary to fund the restoration initiative/s. If the budget is not adequate, other sources of funding can be tapped, including the private sector where they can be engaged in the design of the project. There is also a need to further improve the local government action plans particularly in focusing on the underfunded activities.
- There must be a balance between fast economic development and environmental protection.

4.0 Session 2: Implementing the PNLG Strategic Action Plan (SAP) 2016 – 2021

Copy of the powerpoint presentation is found in Annex 4.

- 4.1 Ms. Nancy Bermas, Senior ICM Specialist of PEMSEA, presented a synthesis report on the current status of the members' PNLG SAP 2016 – 2021 based on the individual SAP forms submitted by the members.
- 4.2 Ms. Bermas cited the achievements of the previous PNLG SAP 2011 – 2015 including the expansion of PNLG membership; establishing the State of the Coasts reporting; enhancing implementation and evaluation of ICM implementation through ICM Code audit and recognition; and promoting good practices, sharing information and experiences through training program, seminar, annual forum, etc. However, there are still remaining challenges that need to be addressed, such as: (1) Exploring and strengthening partnerships with global, regional organizations, national governments and private sector; (2) Scaling up of good practices still limited; (3) Capacity building and knowledge sharing opportunities for members still lacking; (4) Opportunities for private financing are not fully tapped; (5) Need to put in place an effective information dissemination and knowledge sharing platform; and (6) Lack of clear monitoring system to evaluate PNLG performance.
- 4.3 In response to these challenges, the members adopted the Ansan Declaration in 2016 wherein the PNLG SAP 2016–2021 aligned its commitments with the targets of Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) 2015 and Sustainable Development Goals (SDGs). Under this Declaration, the network committed to: (1) Register ICM program timebound targets related to any of the 4 SDG targets (6 Clean Water and Sanitation, 11 Sustainable Cities and Communities, 13 Climate Action, and 14 Life Below Water), (2) Report annually on progress toward achieving committed targets, and (3) Share information publicly by reporting through a recognized regional PNLG/PEMSEA knowledge platform.
- 4.4 In support of these commitments, PEMSEA sent out a template of a simplified PNLG SAP Form to gather and consolidate the members' respective local targets, monitor and track their progress in achieving their selected targets vis-à-vis the relevant UN SDGs. The template also includes inquiries on the potential challenges in achieving the targets and the support needed by members from PEMSEA and the PNLG Secretariat.
- 4.5 The consolidated report reviewed the commitments identified by the network. Out of the 48 PNLG members, 27 (or 56%) submitted their completed SAP templates. The following are the results under each SDG:
- SDG 6 Clean Water and Sanitation
 - Majority of the members committed to the following targets:

- 19 members from 9 countries selected target 6.1 Reduce the proportion of untreated wastewater being discharged into drainage systems, rivers, and coastal waters
 - 17 members from 9 countries selected target 6.4 Increase the percentage of people with access to secure and safe potable water
 - 13 members from 9 countries selected target 6.5 Increase in watershed areas covered by integrated coastal and water resources management.
- There were fewer members that committed to the following:
 - 8 members from 5 countries selected target 6.2 Increase recycling and safe reuse of treated effluents
 - 7 members from 4 countries selected target 6.3 Increase water-use efficiency by industry
- SDG 11 Sustainable Cities and Communities
 - Over 80% of members from 10 countries considered Target 11.2 (increase access to solid waste management systems) as a priority concern.
 - 14 members from 8 countries committed to Target 11.3 increasing availability and accessibility to green public space.
 - 7 members from 4 countries selected Target 11.1 increasing access to safe and affordable housing.
- SDG 13 Climate Action
 - Almost 70% of the members from 10 countries committed to improving awareness, education and institutional capacity for Climate Change Adaptation and Disaster Risk Reduction under Target 13.3.
 - Fewer members committed to Targets 13.1 (reducing vulnerability to hazards) and 13.2 (reducing losses to lives, properties and the economy).
- SDG 14 Life Below Water
 - 85% of the members from 10 countries committed to Target 14.1 in scaling up the protection and conservation of marine and coastal ecosystems.
 - About 50% of the members from 9 countries committed to Target 14.3 on increasing sustainable coastal and marine tourism and/or promoting ecotourism activities.
 - 11 members from 8 countries committed to Target 14.2 on increasing fisheries and aquaculture production.

4.6 The report also presented the consolidated plans and programs that the members identified in achieving their selected targets, including:

- National level: national framework or strategic plans and national medium-term development plans.
 - Sub-national level: sub-national medium-term socioeconomic development or physical framework plans, sub-national investment plans, and sub-national ICM plans/strategic environmental management plans.
 - Sectoral level: plans covering marine protected areas, fisheries, climate change, disaster risk reduction, solid waste management, sewage/septage and wastewater treatment, mariculture/aquaculture, coral restoration, water resources, etc.
- 4.7 The report summarized available sources of funds and resources in support of the commitments. Financial resources are available through the national government's budget allocation for implementation of sectoral plans, the local government's general fund and investment projects. On the other hand, organizational/legal resources are present through the local environment departments or ocean bureaus with regular staffing, coordination and engagement of other concerned agencies, and availability of enabling legislations and regulatory mechanisms. Moreover, there are educational resources available from local universities and training institutions, ICM Learning Centers and Regional Centers of Excellence, and partners from NGOs, the private sector and international organizations.
- 4.8 The report covered the foreseen challenges cited by the members in their respective SAPs. These include: limited funding; limited capacity (human resources, equipment, access to training); lack of supporting policies and guidelines or poor implementation of policies; limited awareness, engagement, commitment and support from stakeholders; continuing degradation of coastal and marine ecosystems; and lack of better mechanisms for sharing ideas, experiences, knowledge, and lessons learned.
- 4.9 Support require from PEMSEA and the PNLG to address these challenges covered: (1) capacity development (specialized skills trainings and study tours); (2) regular knowledge sharing and networking; (3) private sector involvement and support in ICM implementation; (4) conduct of targeted research; (5) access to additional sources of funding; and (6) proposal development.
- 4.10 During the open discussion, an inquiry regarding the basis for the PNLG members' commitments was raised. Ms. Bermas indicated that each local government has sustainable development priorities and objectives related to the SDGs. Thus by addressing these priorities and delivering the objectives and outputs locally, each local government is in fact contributing to the global SDG.
- 4.11 At the close of the discussion all PNLG were invited to submit their completed forms so that the Secretariat could provide a more accurate estimate of the SDG commitments and targets, and have better assessment of progress and impacts of the PNLG SAP implementation..

5.0 Session 3: Investing in Sustainable Development Goals (SDGs) at the Local Level

Copy of the powerpoint presentations are found in Annex 4.

5.1 PEMSEA Executive Director, Mr. Stephen Adrian Ross, presented an overview of available types of investments that local governments can access in line with the identified commitments and targets of the UN SDGs. The salient points of his presentation included:

- PEMSEA is exploring partnerships with various organizations in support of scaling up investments in SDS-SEA and ICM priorities, particularly for water and wastewater management, protected areas, sustainable tourism/ecotourism, and sustainable fisheries and aquaculture.
- While public funding and development assistance are important, the endeavor to obtain capital from the private sector remains a challenge.
- a Regional Ocean Investment Facility and Funds is being conceptualized and developed by PEMSEA. One service of the facility will be to assist local governments develop and market bankable blue economy projects.

5.2 Mr. David Pangan, Investment Specialist of PEMSEA, presented some guidelines for the PNLG members to enable local governments to develop viable investible projects that contribute to blue economy growth at the local level. The highlights of his presentation included:

- Investment capital has no shortage. However, investors have difficulty in selecting good investible projects. Thus, PEMSEA's Ocean Investment Facility and Funds intends to provide assistance to local governments – that through this facility, local governments might be able to produce bankable projects and eventually tap into the investment capital available.
- Factors that contribute to the success of a bankable project when selecting an investment: (1) Entrepreneur/Manager who provides the direction for the business; (2) Financial Management that pertains to the understanding of the finances of the company; (3) Regulatory Compliance; (4) Money; (5) Market; and (6) Mentorship or the opportunity to learn from those who have done it before.
- Based on learnings from the Impact Investment Industry, the local government's role is crucial in the development of social businesses through the identification and organization of community-based suppliers; policymaking in assisting SMEs; conduct of livelihood trainings; and use of facilities.

6.0 Panel Discussion and Open Forum

6.1 Mr. Ross served as the moderator of the Panel Discussion. The members of the panel were: Hon. Ung Chhay, Deputy Governor of Kep Province, Cambodia; Hon. Mohamad Zain Bin Hamid,

President of Kuala Langat District Council, Malaysia; Hon. Gaspar Soares, Mayor of Dili Municipality, Timor Leste; Ms. Anabelle Loyola, Supervising Environmental Management Specialist and Head of ICM Division, PG-ENRO, Cavite Province, Philippines; Ms. Pham Thi Chin, Director of Da Nang Agency of Seas and Islands, Vietnam; and Mr. David Pangan, Investment Specialist of PEMSEA.

6.2 Mr. Ross raised the question on what challenges does the local government foresee in developing and implementing investible projects. Some members of the panel shared their thoughts:

- Danang representative, Ms. Pham Thi Chin, indicated that the limited budget, lack of qualified human resources and limited access to equipment and technology hinder them from creating investible projects in their province.
- Meanwhile, Mr. Mohamad Zain bin Hamid, suggested that the type of system that the government follows may limit its capability to tap such opportunities. He added that the format of a federal government, for instance, confines the local government to adhere to the policies and guidelines directed at the national level, including matters pertaining to investments.
- Ms. Anabelle Loyola shared that despite the presence of a Public Private Partnership (PPP) Code, there are no existing PPP projects in the Province of Cavite.
- Mayor Gaspar Soares, on the other hand, shared that the acceleration of the decentralization process will help lessen the limitation of the local government in terms of decision-making and implementation.

6.3 The kind/type of investment project needed in their respective localities to support the implementation of their ICM and SAP commitments was also discussed:

- Ms. Chin shared that Danang needs investment projects related to climate change and disaster risk reduction (i.e., environmental accidents); coastal erosion, including the enhancing scientific support in understanding the causes and solutions; and livelihood development for fisherfolks combined with habitat protection and fisheries management.
- Ms. Loyola indicated Cavite's need for investment on water use and supply management and pollution reduction.
- Mayor Soares identified two areas: solid waste management, including implementation of 3R program and ecotourism development.
- Dep. Gov. Chhay also cited Kep Province's investment needs on solid waste management and wastewater treatment.

6.4 A discourse on the kind of support that the local governments would require from PNLG and PEMSEA in identifying, developing and implementing bankable investment projects was also precipitated by the moderator:

- Ms. Pham emphasized Danang's need for capacity building, particularly in the institutional and human resources areas.
- Ms. Loyola cited Cavite's need for standardization of the implementation of rules, regulations and policies on PPP; capacity building for local legislative bodies and PPP coordinating body; establishment of a database; and conduct of prefeasibility studies.
- Hon. Soares shared Dili's need for strengthening and expanding their knowledge sharing mechanism, as well as prioritizing of investment opportunities.
- Hon. Chhay shared Kep's need for assistance in proposal development and conduct of pilot projects.

6.5 Open Forum:

- Mr. Kobayashi discussed that there is a need to look at the level of readiness of local governments in terms of entering into investment partnerships. He opined that culturally, people in the EAS region are generally very conservative and thus, will not commit to something that they may have difficulty delivering. He suggested, however, that the local governments must take on the challenge in addressing more difficult issues instead of dwelling on the more common and easier ones, including synchronizing the priorities and feasibilities to achieve.
- Mrs. Noraini emphasized the value of the SOC reporting in terms of identifying and prioritizing actions over the long- and short-term. She suggested that the 3R program needs strengthening because even after 10-15 years, the solid waste problem still persists.
- Noting the sharing of success stories on PPP focusing in wastewater treatment, Mr. Ross cited the experiences of the 2 water concessionaires in Manila, and in Bali where a blended investment was adopted. He further clarified that it is not the intention of PEMSEA to establish an investment fund. Instead, PEMSEA will assist in identifying and accessing existing funding mechanisms by local governments.
- Mr. Ross summarized the discussion and highlighted the following points:
 - The PNLG members have similar problems in the sustainable development and management of their coastal and marine areas, but different priorities and capacities to address them.
 - PNLG's resolve to address these "wicked problems" is directly supporting the UN SDGs, and especially SDG 14 (Life below water). By sharing information and experiences across the local government network, the PNLG is also adhering the the SDG principle of "No one gets left behind."
 - Finally, there is no plan B for the oceans. Signals of deterioration in quantity and quality of ecosystem services are becoming more evident. It is everyone's responsibility. Thus, while challenging, the PNLG need to consider the potential role

of private partners and investors in bringing in the necessary funding for projects with environmental, economic and social impacts.

7.0 Closing of the Technical Session

7.1 The PNLG Secretary General adjourned the Technical Session at 5:30PM, December 5, 2017.

D. GENERAL ASSEMBLY

The PNLG President, Mrs. Noraini Binti Roslan and PNLG Secretary General, Mr. Pan Shijan presided over the General Assembly, with support from the PNLG Secretariat Executive Deputy Secretary General, Mr. Lin Huaiyuan and the PEMSEA Secretariat Coordinator, Ms. Kathrine Rose Gallardo. The General Assembly was held at the Visun Ballroom of Sanya Visun Royal Yacht Hotel on December 6, 2017.

The General Assembly Agenda is found in Annex 1.

8.0 PNLG Progress Report 2016 – 2017

8.1 Mr. Lin Huaiyuan, Executive Deputy Secretary General of the PNLG Secretariat presented the PNLG Progress Report. The Secretariat highlighted the following accomplishments for 2017:

- Organization of the 8th PNLG Executive Committee Meeting in Xiamen, China;
- Recruitment of 3 new PNLG members from Timor Leste (Dili, Liquica and Manatuto);
- Conduct of a Seminar on Green Ecological Aquaculture for ASEAN Countries in Xiamen, China, organized by the State Oceanic Administration, and co-organized by the PNLG Secretariat, the secretariat of the Southern Oceanographic Research Center of Xiamen and the Fujian Ocean Research Institute. A total of 16 representatives of local government officials attended the training, including from Cambodia, Timor Leste, Malaysia, Philippines, Indonesia, Vietnam and other countries/PNLG members;
- Conduct of the World Ocean Week 2017: Global Ocean Governance for a Blue economy;
- Coordination and organization of PNLG Forum 2017

8.2 Mr. Huaiyuan also presented the PNLG Secretariat's Work Plan for 2018. The PNLG Secretariat proposed to utilize its various resources to provide capacity building opportunities (in response to the PNLG SAP), promote knowledge sharing, expand the coverage of ICM and cooperation with other international organizations, and provide support for the implementation of the SDS-SEA.

8.3 Chonburi representative, Dr. Praparsari Barnette, sought clarification on the scope of activities for 2018, which will mostly be conducted in China, including the utilization of membership fees.

She suggested for PNLG to also consider conducting capacity building-related initiatives in various countries.

- 8.4 PNLG President, Mrs. Noraini, cited that most activities conducted in the past and operations of the PNLG Secretariat were funded by the Xiamen Government, and that the use of PNLG membership fee is very minimal, which will be further explained under the agenda on PNLG Financial Reporting. She stressed the need to establish a mechanism on the utilization of the membership fees to fund activities outside of China.

9.0 PNLG Financial Report

- 9.1 Mr. Huaiyuan explained that there are 2 sources of PNLG funding: (1) the support of the Xiamen Government and (2) the members' fees.

- Mr. Huaiyuan recalled that in the EAS Congress 2006, all PNLG members agreed to set up the PNLG Secretariat in Xiamen. In line with this, the Xiamen Government pledged to allocate 10,000 USD every year to support the operations of the Secretariat. In 2012, Xiamen raised their commitment to 20,000 USD per annum. From 2007 – 2017, Mr. Huaiyuan reported that the Xiamen municipal government has already reached more than 170,000 USD of its total contributions. Mr. Huaiyuan also emphasized that at the end of each year, the PNLG Secretariat is required by the Xiamen City Government to return unused funds from the City's annual contributions.
- As for the Membership Fees, Mr. Huaiyuan cited Article 21 of the PNLG Charter which states that all regular members shall pay an annual membership fee of 500 USD and such fee will be collected by the PNLG Secretariat. From 2007 – November 2017, a total of 166 payments have been completed by the members which amounts to a total of about 81,515 USD. Moreover, the PNLG Secretariat indicated that some members have not been consistently paying their annual fees in the past years.
- As of 2017, there is a balance of 78,480USD from the membership fees. For 2018, the available budget is the 20,000USD contribution from Xiamen plus the 78,480USD balance from 2017 for a total of 98,480USD.
- The PNLG Secretariat presented the target activities for 2018, including: 9th PNLG Executive Committee Meeting; PNLG Secretariat daily operations and capacity building; Travel expense of PNLG President for PNLG EC and PNLG Forum; PNLG Forum 2018 and EAS Congress 2018. For PNLG Secretariat operations, the funding requirement will be charged to Xiamen contribution similar to previous years. However, there are key activities that would require funding allocation outside of Xiamen's contribution such as the PNLG activity at the EAS Congress 2018 and XWOW 2018.

- 9.2 The following are the highlights during the open forum:

- Regarding the costs/expenditures, based on the report by Mr. Huaiyuan, Mr. Pan clarified that since the official establishment of PNLG in 2006, the PNLG Secretariat has utilized only the fund provided by the Xiamen City Government for various initiatives and operations of the Secretariat. As such, the Secretariat have not utilized the PNLG

Fund (from collection of annual membership fees), aside from travel expense of the current PNLG President for the PNLG Executive Committee Meeting and PNLG Forum. The annual contribution from Xiamen and the support of Xiamen people to the PNLG was acknowledged by the General Assembly.

- Mr. Pan further explained the status of the PNLG Fund account, which is currently subject to the Government of China's financial rules and regulations. In view of the strict rules, the PNLG Secretariat could not utilize the Fund outside of China. Mr. Pan underscored the importance for PNLG to be able to utilize the network's fund on key capacity building-related initiatives (whether undertaken in China or outside of China). In this regard, Mr. Pan confirmed that he will do his best to discuss with Xiamen Financial Bureau to allow the PNLG Secretariat to utilize PNLG Funds even to activities outside of China. Should this not be possible, Mr. Pan would request for PNLG Funds currently in Xiamen to be transferred to a PNLG Trust Account in Manila to be managed by the PRF.
- Mr. Pan further emphasized that only fifteen (15) out of the 48 members have consistently paid their annual membership fees. He encouraged the members to respect the provisions of the PNLG Charter. This was further supported by the PNLG President and called on all the members to abide by their commitment.
- The PNLG President sought the recommendation of the General Assembly on how the PNLG can best utilize its funds with a consensus that the funds can only be used as agreed by the General Assembly for a particular year based on an approved Annual Work Plan and Budget.
- Some of the suggestions were:
 - use the funds for capacity building of the members (i.e., focusing on general orientation and training on ICM to support and enhance program implementation, preparation of technical guidelines for ICM, conduct of study tours for the local chief executives and new PNLG Members)
 - for trainings, there is also a need to identify the focus of the training to facilitate the development of an appropriate training design based on members' needs. Number of trainings per year should also be limited based on what can be done and what can be funded (some with support from PNLG fund and some with support from PNLG members or partners)
 - Continue and further strengthen the traineeship program of PEMSEA as it has been an effective mechanism in building the capacity of the technical staff in ICM sites.
- For 2018, the EAS Congress and XWOW are considered as two crucial learning, sharing and networking events for PNLG members. As such, the PNLG President urged the General Assembly to support these key activities and to agree to allocate some funds using the PNLG funds.

10.0 Draft PNLG Fund Management Guidelines

- 10.1 The PNLG President endorsed the draft PNLG Fund Management Guidelines to the General Assembly for review and approval.
- 10.2 Mrs. Noraini recalled the recommendations at the previous PNLG Forum and Executive Committee Meeting wherein the PNLG Secretariat, with assistance from the PEMSEA Secretariat, was requested to develop necessary guidelines to ensure transparency and better reporting of the PNLG work plan and budget in the succeeding forums. Moreover, the PEMSEA Secretariat was recommended to open a bank account for PNLG in Manila and assist in the development of a Management Plan on the operations of the PNLG fund.
- 10.3 In line with this recommendation, Mrs. Noraini presented the key elements of the Draft PNLG Fund Management Guidelines as developed by the PEMSEA Secretariat. The Draft PNLG Fund Management Guidelines was developed in accordance with the PEMSEA Financial and Accounting Rules and Regulations which are compliant with international fiduciary standards and have undergone numerous review and audit assessments. The main objectives of the PNLG Fund Management Guidelines are to govern and effectively and efficiently manage the funds being received and generated from the annual membership fees. The PNLG Trust Account will be opened and managed by the PRF in Manila in accordance with the guidelines. The funds to be utilized on an annual basis will be based only on the activities and budget approved by the Executive Committee and annual General Assembly. Annual internal and external audits will be conducted and reports presented to the General Assembly for transparency and accountability.
- 10.4 Ms. Ellen Quezon of Guimaras commended the presentation of the draft PNLG Fund Management Guidelines and agreed to limit the fund utilization to the agreed activities. Taking note that a significant number of members are not regularly paying their membership fees, Ms. Quezon suggested a strategy must be put into place to reach out to the non-paying members.
- 10.6 In response to Guimaras, Mrs. Noraini and Mr. Pan indicated that the PNLG Secretariat will continue to coordinate with the members and encourage them to remain active and settle their membership fees. In consideration of the paying members, the PNLG President suggested the EC meeting in May 2018 to include in its agenda possible actions for the non-paying members for further deliberation in the 2018 PNLG General Assembly.
- 10.7 The PNLG President, further indicated that with the continuing increase in PNLG's membership it would become more and more difficult for future local government hosts to support/fund the PNLG forums. As such, she encouraged all members to be conscious of this and the need to consider in the future possible subsidization of the conduct of annual PNLG Forums from the PNLG funds from membership fees.

- 10.8 Mr. Victor Ubaldo of Bataan highlighted the need for an Annual Work Plan (AWP) and Budget to be reviewed by the PNLG EC meeting and submitted/endorsed annually to the General Assembly's review and approval. As such, the coverage of the financial reporting year will be clear (January to December).
- 10.9 Mrs. Noraini concurred with this and emphasized that this is the process being followed by the PNLG. The current situation whereby budget for other key activities for 2018 (i.e., EAS Congress 2018) was left hanging was in view of the need to clarify and settle the concerns pertaining to the use of PNLG Funds outside of China. Given that this has been addressed in earlier discussions, Mrs. Noraini urged the General Assembly to agree on allocating a cap of 10,000USD to support key PNLG activities for 2018 such as in the EAS Congress and XWOW 2018, and other training needs. Bataan supported the recommendations and was seconded by Guimaras.
- 10.10 It was further emphasized that the PNLG fund is also limited and that there are various sources or ways of securing support for PNLG-related initiatives (i.e., some can be part of country programs under the implementation of the SDS-SEA; some can be supported by donors/partner organizations; some can be funded/supported by the local governments; etc.)
- 10.11 **Decision of the General Assembly**
The General Assembly agreed and adopted:
- the fund management guidelines that will take into effect in 2018. A bank account will be set up in Manila to be managed by the PEMSEA Resource Facility.
 - the proposed allocation of 10,000USD for 2018 using the PNLG Funds in support of key training needs particularly PNLG activities at the EAS Congress 2018 and XWOW 2018, to be included in the AWP and Budget for 2018.
- 11.0 Induction of New PNLG Members and signing of PNLG Charter**
- 11.1 The PNLG President informed the Assembly that three local governments from Timor Leste have applied as new members of the PNLG. During the 8th PNLG Executive Committee Meeting, the committee assessed and accepted the applications from Dili, Liquiçá, and Manatuto, Timor Leste.
- 11.2 Hon. Gaspar Soares, Mayor of Dili Municipality; Hon. Domingos da Conceicao dos Santos, Mayor of Liquiçá Municipality; and Hon. Fernando Domingos de Almeida e Sousa Junior, Mayor of Manatuto Municipality signed the PNLG Charter on behalf of their local governments. As new members of the PNLG, they have reaffirmed their commitment to the PNLG Strategic Action Plan, particularly in achieving the targets in the following SDGs: Clean water and Sanitation, Climate Action and Life below Water. Furthermore, they aim to strengthen their ICM programs focused on the development of sustainable alternative livelihood programs, ecosystem approach to fisheries management, and improving MPA management effectiveness.
- 11.3 Full Statements of the new PNLG members are found in Annex 5.

12.0 PNLG Participation in the East Asian Seas Congress 2018

- 12.1 Ms. Kathrine Rose Gallardo, PRF Secretariat Coordinator, provided information regarding the upcoming East Asian Seas Congress scheduled on November 27 – 30, 2018 in Iloilo City, Philippines, and the PNLG Forum 2018 which will be conducted as one of the key events at the EAS Congress. Carrying the theme, “25 Years of Partnerships for Healthy Oceans, People, and Economies: Moving as One with the Global Ocean Agenda”, the EAS Congress aims to showcase the region’s experiences, learnings and developments and future direction in the region in line with its pursuit of sustainable coastal and ocean development.
- 12.2 Ms. Gallardo introduced the overall format of the International Conference and its key features. In particular, Ms. Gallardo highlighted the key opportunities whereby the PNLG members can participate or be engaged in, such as: (a) participate in the PNLG Forum; (b) showcase distinct PNLG initiatives at the EAS Congress Exhibition; (c) convene a PNLG Technical Workshop at the EAS Congress Partnership Hubs; (d) Local government representatives may serve as speakers, panelists or Chairs/Co-Chairs in some sessions; (e) Local governments may send their youth delegates for the EAS Youth Forum; and (4) Participate in the field trip.
- 12.3 As part of the preparations, Ms. Gallardo encouraged the PNLG members to start: allocating funding/budget for their participation at the EAS Congress; and developing their information materials/exhibit design/good practices for showcasing at the Congress events.

13.0 Turnover of the PNLG Flag to PNLG Forum 2018 Host

- 13.1 The PNLG President announced the confirmation of the Local Government of Guimaras, Philippines as the host of the PNLG Forum 2018. Vice Mayor Li Jinsong of Sanya City, PR China turned over the PNLG flag to Governor Samuel Gumarin of Guimaras, Philippines.
- 13.2 Governor Samuel Gumarin showcased a video to promote the small yet beautiful island of Guimaras, as well as to invite the members of the network to join the next PNLG Forum.
- 13.3 On behalf of the government of Guimaras, Governor Gumarin expressed his enthusiasm in accepting the challenge to host the Forum next year. He recounted how ICM started in their province due to an oil spill incident in 2006. He narrated how it severely affected their marine ecosystem yet it had taught the Guimarasnons how to become more resilient and more knowledgeable on the consequences of natural disasters. ICM may have been challenging for the province, but it has given Guimaras the opportunity to engage with the PNLG and take bigger responsibilities for promoting sustainable development. Gov. Gumarin also shared Guimaras’ commitment in achieving the SDGs. As he ended his speech, he conveyed their island’s appreciation for the honor, privilege, and responsibility of holding the PNLG Forum next year.

13.4 Full speech of Gov. Samuel Gumarin is found in Annex 6.

14.0 Closing of the General Assembly

14.1 PNLG President, Mrs. Noraini Binti Roslan, spoke about having different backgrounds and beliefs yet everyone is focused on achieving one goal for the oceans and people. She stated that the forum enabled officials and leaders to learn from each other and motivate themselves to do better and scale up good practices. She hopes that this forum would result to creating stronger policies and organizational skills among the members. She also commended the ICM approach which promotes the integration of activities in the land and sea and thus, collaboration is necessary to ensure that these will also benefit the people in the land areas. She further encouraged the PNLG to prove to the world that the network is stronger than it was 11 years ago. The accomplishments of the SAP forms and report on the progress based on the implementation of priority programs attest this. At the end of her speech, she expressed her thanks to the PNLG members for their active participation. She expressed her gratitude to the Sanya Government for graciously hosting the forum. She also thanked the PNLG Secretariat and Xiamen Officials as well as PEMSEA for their support. She wished everyone well and hopes that everyone will do a better work in 2018.

List of Annexes

➤ **Annex 1: PNLG Forum Agenda**

Accessible via: https://drive.google.com/drive/folders/1Wplg_ly-yhWTgeuWGbrpPeNAqmtbnWKT

➤ **Annex 2: List of Participants**

Accessible via:

https://docs.google.com/document/d/16HR7v1Lcl4rmDeZbY6D_K5BFZE8oDiyGxkC813iOHYA/edit

➤ **Annex 3: Opening Ceremony Speeches**

Accessible via: <https://docs.google.com/document/d/1LBXsCeBIZGHWccBjIAuJjNEcdYLrkH-kg59f3aKvjxo/edit>

➤ **Annex 4: Powerpoint Presentations**

Accessible via: https://drive.google.com/drive/folders/1Wplg_ly-yhWTgeuWGbrpPeNAqmtbnWKT

➤ **Annex 5: Statements of New PNLG Members**

Accessible via: <https://drive.google.com/drive/folders/1pCgXICvK44vbUGCzJdkwgtimoKtMjPoy>

➤ **Annex 6: Acceptance Speech of Guimaras**

Accessible via: <https://drive.google.com/drive/folders/1pCgXICvK44vbUGCzJdkwgtimoKtMjPoy>
