



Mangroves for the Future  
INVESTING IN COASTAL ECOSYSTEMS



Meenu Panorama, Maldives © Nathan Williams

# Mangroves for the Future

## 2007 Annual Report



IUCN  
The World Conservation Union



WETLANDS  
INTERNATIONAL



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| <b>Name of project</b>               | Mangroves for the Future – promoting investment in coastal ecosystem conservation<br>(Sida Contribution No.: 73000830) |
| <b>Project start date</b>            | November 1, 2006   |
| <b>Project end date</b>              | December 31, 2008 (to be extended until 2009)  |
| <b>Project grant</b>                 | SEK 29 million   |
| <b>Period covered by this report</b> | January 1, 2007 – December 31, 2007  |

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|--------------------------------------|--|
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## **Executive Summary**

*During its first full year of operation (2007), the Mangroves for the Future (MFF) programme focused on completing country consultations in the six MFF “focal countries” (India, Indonesia, Maldives, Seychelles, Sri Lanka and Thailand), establishing the management and governance structures necessary for implementation, and initiating a number of technical actions (from the MFF Plan of Action) that were deemed essential as a foundation to establish priorities for full implementation and to identify where other investments are most needed. Hence, 2007 was viewed as a preparatory (inception) year to build awareness and ownership for the programme among the MFF focal countries and partners.*

*At the end of 2007, MFF has achieved the following milestones:*

- A functioning Regional Steering Committee with senior level representation from six countries, three UN agencies (FAO, UNDP and UNEP) and three international organizations (CARE, IUCN and Wetlands International). The RSC held two full meetings in 2007 with participation of donor representatives from Norway and Sweden attending as observers;*
- A functioning MFF Secretariat located with the IUCN Asia Regional Office in Bangkok;*
- National Coordinating Bodies established in all six countries, chaired by the RSC representative from each country and including members from government agencies, civil society organizations and the private sector;*
- Development of country strategies and action plans for MFF implementation substantially underway in four of six MFF countries with presentation of all six national strategies expected at a MFF Regional Forum scheduled for April, 2008; and*
- Work substantially underway on 8 of 9 preparatory technical actions to be presented and discussed with the MFF countries at the MFF Regional Forum.*

*While some delays were experienced in establishing National Coordinating Bodies in the six MFF focal countries and initiating the preparatory technical actions, these delays are not considered serious enough to impact on the results expected to be achieved in 2008. It should perhaps not come as a surprise that the establishment of the national MFF governance structures has taken more time than originally expected, considering their dependence on government procedures, coordination challenges and the desire to “align” MFF as much as possible with existing structures.*

*Work plan priorities for 2008 include accelerating support to enable the National Coordinating Bodies to complete their country strategies; to oversee a Small Grant Facility to be established in each country; and, to facilitate the development of large project proposals for MFF funding that can be reviewed and approved by the Regional Steering Committee. The MFF Secretariat will work to facilitate a number of regional events in 2008 that will provide opportunities for the countries to share experiences and learning from coastal management initiatives. Finally, a MFF fundraising strategy will be prepared in 2008 that addresses regional and national priorities and uses existing MFF support as leveraging funds to approach national governments and donors.*

*This Annual Report has been prepared to summarize progress during the initial implementation phase for the two donors (Norad and Sida) that have provided general programme support for MFF. Where possible, the report analyzes difficulties and shortcomings that may affect implementation success and suggests actions to remedy these.*

## 1. Background

The Mangroves for the Future (MFF) initiative was formally launched on 02 December 2006 in Hin Look Dieu village in southern Thailand by President Clinton in his capacity as UN Special Envoy for Tsunami Recovery. The aim and scope of the MFF initiative have been described in detail in the *MFF Strategy* and the *MFF Plan of Action* produced in the second half of 2006 (see Annex 1 for a list of reference documents for this Annual Report). The activities leading up to the launch of the programme were summarized in the MFF Project Report submitted to Sida in February 2007 (Agreement ID A7300844). Early work in 2007 has also been reported in a MFF Progress Report submitted to Sida in April 2007 under the present agreement.

Essentially, MFF is a regional partnership-led initiative that seeks to effect demonstrable changes and results across four key areas of influence: regional cooperation, national programme support, private sector engagement and community action through knowledge, empowerment, and promoting good governance in coastal areas. MFF aims to strengthen the environmental sustainability of coastal development, and promoting investment of funds and effort in coastal ecosystem management for sustainable development. MFF targets countries that were most affected by the Indian Ocean tsunami (India, Indonesia, Maldives, Seychelles, Sri Lanka and Thailand –referred to as the “MFF Focal Countries”). While mangroves are taken as the flagship species, the programme addresses all coastal ecosystems and provides a vehicle for linking ecosystem conservation to sustainable development goals and addresses long-term threats to coastal ecosystems and livelihoods. MFF facilitates the building of a collaborative platform for multiple stakeholders to work together regionally and nationally to promote investment in coastal ecosystems as development “infrastructure”.

The MFF initiative is governed by a Regional Steering Committee (RSC) co-chaired by IUCN and UNDP with representation from the six MFF focal countries, UN agencies (FAO and UNEP), and international organizations with a regional mandate to work on coastal conservation and livelihoods issues (CARE and Wetlands International). Representatives from Sida and Norad attend the biannual RSC meetings as observers.

This is the first MFF Annual Report and has been prepared to summarize progress during the initial implementation phase for the two donors (Norad and Sida) that have provided general programme support for MFF. Separate activity reports have also been submitted during 2007 to donors that have supported specific MFF project activities (e.g. BMZ and AusAID).

The purpose of this Annual Report is to summarize actual progress to date and, particularly, in relation to planned activities and outputs. Where possible, the report analyzes difficulties and shortcomings that may affect implementation success and suggests actions to remedy these.

## 2. Work Plan Priorities for 2007

During its first full year of operation (2007), the MFF focused on completing country consultations in the six focal countries, establishing the management and governance structures necessary for implementation, and initiating a number of technical actions (from the *MFF Plan of Action*) that were deemed essential as a foundation to establish priorities for full implementation and to identify where other investments are most needed. Hence, 2007 was viewed as a preparatory (inception) year to build awareness and ownership for the programme among the focal countries and partners.

The work plan priorities for 2007 and 2008 were presented and endorsed by the Regional Steering Committee at their first meeting (RSC-1) in Bangkok on 08-09 May, 2007 (Table 1).

**Table 1. MFF work plan priorities for 2007 - 2008**

| Action  |
|---|
| <b>Management actions</b>   |
| 1. MFF Programme Development (01 November 2006 – 30 June 2007)  |
| 2. Formation and support to Regional Steering Committee and National Coordinating Bodies (6)  |
| 3. Establishment and operations of Regional Coordination Unit (MFF Secretariat)   |
| 4. Development of monitoring, evaluation and learning framework   |
| 5. Development of detailed project proposals and fundraising  |
| 6. Design and establishment of MFF Trust Fund and Small Grants Facility   |
|   |
| <b>Technical actions (based on MFF Plan of Action)</b>  |
| 1. Gap analysis of existing knowledge and data as compared to the needs of coastal managers for information. (MFF Plan of Action #1.1)  |
| 2. Development of MFF country strategies and national action plans. (2.1 + 2.2 modified to provide support for NCBs in leading this activity)   |
| 3. Development of simple, easy-to-apply ecosystem valuation tools and methods that can be used for planning and appraising coastal conservation and development activities. (4.1)                           |
| 4. Region-wide evaluation of environmental impacts of the post-tsunami reconstruction process, efforts at ecosystem restoration, and review of funding to environmental activities. (5.1)                   |
| 5. National capacity and training needs assessments for different stakeholder groups in order to identify gaps, needs, strengths and opportunities for building capacity in ICM. (7.1)                      |
| 6. Review of innovative and sustainable funding mechanisms which have applicability to coastal areas and coastal management actions. (10.1)   |
| 7. Assessment of national and regional institutional mechanisms and programmes for ICM in order to identify and operationalise appropriate, inclusive and sustainable governance mechanisms for MFF. (11.1) |
| 8. Gap analysis to review existing protected area coverage, identify regionally or nationally under-represented ecosystems, and identify areas in need of additional protection. (13.1)                     |
| 9. Integrating climate change and climate variability in MFF interventions. (New) <sup>1</sup>  |

<sup>1</sup> This preparatory work on climate change was not identified in the original 15 MFF programmes of work but has become increasingly important and will now be considered as a cross cutting theme for MFF as opposed to a separate programme of work.

During the inception year (2007), work has focused on establishing and strengthening the governance and institutional structures for full MFF implementation. As this has taken longer than initially anticipated, the inception phase will extend in the first quarter of 2008. Hence, this report will deal in greater detail with the Management Actions (outlined above) and analyse progress and constraints in establishing these structures. A summary of progress and constraints experienced during implementation of both management and technical actions is provided in Annex 2.

## **A. Management Actions**

### **a) MFF programme development**

An initial meeting with international partners was held in Bangkok (20 November, 2006) to discuss the lead-up to the official launch of the MFF initiative by President Clinton (02 December, 2006) and to plan the inception phase, including country consultations and establishing the governance structures at both regional and national levels.

During the first half of 2007, a series of country consultations were carried out to consolidate earlier discussions (in 2006) used to develop the *MFF Strategy and Plan of Action*; provide

further details of the initiative; seek support for implementation of the inception phase and identify priority areas/themes; and, request government nominations to the MFF Regional Steering Committee and their ideas on national coordinating mechanisms in each country. During these consultations, meetings were held with both government agencies and civil society organizations with an interest in coastal management.

Most of the country consultations were led by IUCN's Regional Director for Asia and UNDP's Regional Manager for the UNDP Regional Centre in Bangkok. In the case of the Seychelles, consultations were facilitated by the IUCN East Africa Regional Office. The schedule of consultations proceeded as follows:

- Thailand (15-16 January, 2007)
- Sri Lanka (26-27 March, 2007)
- Maldives (28-29 March, 2007)
- India (30 March - 02 April, 2007)
- Indonesia (23-26 April, 2007)
- Seychelles (26-29 April, 2007)

A summary of the outcomes from the country consultations was presented during the first meeting of the MFF Regional Steering Committee (RSC-1) on 08-09 May, 2007, in Bangkok. It is worth noting that this meeting was held less than two weeks following the final country consultation. Despite the short notice, all six countries were represented at RSC-1 and had submitted formal nominations and endorsement of support to participate in the MFF initiative.

These consultations identified country-level priorities and actions needed. They also provided an opportunity to engage stakeholders in preparing for implementation of the programme. As a result of these consultations, country representation on the Regional Steering Committee was formalised (see below). Furthermore, the country consultations brought forth several important issues and opportunities, as follows:

- Need for development of country strategies and plans for MFF as a priority;
- Advantages of using existing national bodies for MFF coordination in the countries;
- Need for annual regional learning meetings for the National Coordinating Bodies (NCBs);
- Need for determining the geographical and ecosystem focus for MFF actions in the respective countries;
- Opportunities for secondments to MFF Secretariat, and the need for regional/country exchanges and mechanisms to foster and sustain partnerships; and
- Need for a web-based platform for dissemination and sharing of data and information generated by MFF.

Another focus during the programme development phase was the preparation of concepts and proposals for preparatory technical work that would help provide baselines and identify gaps and priorities for MFF implementation. This was done by selecting activities among the 15 proposed programmes of work in the *MFF Plan of Action* that were considered particularly important to initiate at an early stage. The need for developing country strategies and action plans for MFF implementation was addressed by modifying the original proposed work to focus on supporting the establishment of National Coordinating Bodies and having the NCBs lead the national level planning and development of country strategies. Proposals for the preparatory technical work were then presented, discussed and endorsed at RSC-1 (see Annex 2).

**b) Formation and support to MFF Regional Steering Committee (RSC) and National Coordinating Bodies (NCBs)**

The **MFF Regional Steering Committee (RSC)** serves as the apex body to provide regional governance and coordination for the implementation of the initiative. In addition to strategic oversight and guidance, the RSC provides leadership for policy change and advocacy in support of MFF objectives and ensure accountability to the target countries and to the donors providing financial support to MFF.

The membership of the MFF Regional Steering Committee includes representatives from the 6 focal countries, 3 UN agencies, and 3 international organizations with experience in coastal conservation and livelihoods (see below). Early on, the World Wide Fund for Nature (WWF) was also invited as a member but declined when they had difficulty finding a representative with a regional mandate to participate in RSC meetings. However, WWF will continue to be engaged at the national level and is already a member of several National Coordinating Bodies.

Other organizations (and countries) have also requested consideration for membership, including Bangladesh, South Asia Co-Operative Environment Programme (SACEP) and the UN International Strategy for Disaster Reduction (UN-ISDR). At the first RSC meeting (RSC-1), decisions were made to invite “dialogue countries” (as defined in the *MFF Strategy*) as Observers after they express interest in participating. It was also decided that UNEP will represent SACEP and other regional seas organizations on the RSC. At RSC-2, it was agreed that UN-ISDR will be formally invited as an Observer given the close links between MFF and disaster risk reduction initiatives. It was also agreed that the current membership should not be expanded beyond the 6 focal countries during the early implementation period (2007-2009) to ensure that full implementation can proceed within the available funding.

Donors have also been invited to attend RSC meetings as Observers. In 2007, representatives from Norway (Embassy of Norway, Bangkok) and Sweden (Sida and SENSA) participated in both RSC meetings.

**Table 2. Membership and representation on the MFF Regional Steering Committee (RSC)**

| MFF RSC MEMBER         | REPRESENTATIVE  |
|------------------------|---|
| India                  | Additional Secretary, Ministry of Environment and Forests                                     |
| Indonesia              | Director of Marines and Fisheries, National Development Planning Agency (BAPPENAS),           |
| Maldives               | Assistant Director General, Ministry of Environment, Energy and Water                         |
| Seychelles             | Director, Plant Science and Plant Conservation, Ministry of Environment and Natural Resources |
| Sri Lanka              | Additional Secretary, Ministry of Environment and Natural Resources                           |
| Thailand               | Director General, Department of Marine and Coastal Resources                                  |
| IUCN                   | Asia Regional Director (co-chair)   |
| UNDP                   | Regional Manager, Regional Centre Bangkok (co-chair)  |
| UNEP                   | Regional Director, Asia and Pacific   |
| FAO                    | Assistant Director General and Regional Representative for Asia and the Pacific               |
| CARE                   | Regional Director   |
| Wetlands International | Coordinator, Green Coast Programme  |

Two full meetings of the Regional Steering Committee were held in 2007: RSC-1 (08-09 May, 2007) and RSC-2 (03-04 December, 2007). An informal RSC meeting was also held at the Asia Regional Conservation Forum (13 September, 2007). The two RSC meetings conducted in 2007 have provided a useful forum to discuss work plan priorities as well as implementation progress and constraints. In fact, they have also served as opportunities and fora for sharing experiences in coastal zone management and conservation. As the discussions range from strategic planning to technical implementation issues, most countries and international organizations are represented by a senior official as well as a technical specialist (i.e. two representatives per member).

At **RSC-1**, the governance structures for the RSC and the National Coordinating Bodies (NCBs) were endorsed together with the proposed preparatory technical actions. A visual identity and logo for MFF was discussed as was the process for developing MFF project proposals (both small and large) and establishing a MFF Trust Fund. It was agreed that the focus for the remainder of 2007 would be to establish the NCBs, support the national planning processes for developing country strategies and plans for MFF implementation, and (in parallel) work to complete the preparatory technical actions and present the results in a regional forum by early 2008. At that time, proposals based on national and regional priorities could be developed, reviewed and considered for MFF support by the RSC (in the case of large or regional proposals) or NCB (small proposals); hence, disbursements for full implementation were envisaged to start in early 2008 and only after the national planning process had been completed. The idea of a separate MFF Fund was deferred until the next phase of implementation (post-2009) and, instead, the MFF secretariat was requested to suggest options for a Small Grants Facility for MFF.

At **RSC-2**, the overall progress, opportunities and constraints during 2007 were reviewed with a particular emphasis on the status of the NCBs and the preparatory technical actions (see details below). The MFF logo, visual identity and communications priorities for 2008 were endorsed following revisions to how the donors would be recognised on MFF products. Options for establishing a MFF Small Grants Facility (SGF) were discussed and it was agreed to establish an upper ceiling of USD 25,000 for each SGF project. An initial allocation of USD 100,000 will be made to each MFF focal country (under NCB oversight) and further allocations will be performance-based. With respect to large proposals with an implementation period of 12-24 months, an upper ceiling of USD 300,000 was fixed for national projects that will receive first priority. The funding criteria and ceiling may vary for regional or multi-country projects and this will be addressed in guidelines submitted for RSC endorsement at their next meeting (June 2008).

**The National Coordinating Bodies (NCBs)** oversee the implementation and delivery of MFF results at the national levels. The NCBs will actively facilitate a multi-stakeholder forum to foster improved dialogue, planning and decision-making between the different agencies, sectors and levels of scale involved in coastal management. The role of the NCB is also to facilitate linkages and resource mobilization between ongoing and new initiatives which contribute towards MFF goals and objectives in that country. One of the most common concerns raised during the initial country consultations was the almost complete lack of coordination during the post-tsunami response between agencies involved in relief and recovery efforts. This is not new to those who have tried for some time to promote integrated coastal zone management given the jurisdictional overlaps and duplication that prevail.

The chair of each NCB is also the MFF Regional Steering Committee representative for that country. In most of the NCBs, membership includes both government and civil society members and, where possible, at least half of the members come from civil society, including private sector, NGOs, academic and research institutes. Organisations which are represented on the MFF Regional Steering Committee (IUCN, UNDP, UNEP, FAO, CARE, and Wetlands International) and who have a country office or programme in that country will automatically be members of the NCB to strengthen links between regional and national levels of operation. Where possible, the NCBs have been established by building on, adding to, or using existing structures in each country so as not to add to the plethora of existing government committees.

Administrative support to the NCBs is provided from the IUCN or UNDP country programme offices where these exist. Technical support is currently provided through a combination of national and international consultants, in addition to direct support from the MFF Secretariat. The international consultants assisting the NCBs in preparing their national strategies and action plans for MFF implementation are provided through a separate administrative agreement between Sida and the Swedish Board of Fisheries (SBF). Currently, four Swedish experts on coastal and marine planning and management are engaged in five of the six MFF focal countries. Details of the composition and status of the NCBs are presented in the table below.

**Table 3. Membership and status of MFF National Coordinating Bodies (NCBs)**

| MFF Focal Country | NCB Membership  | Status   |
|-------------------|---|--|
| India             | 13 members - 7 from government agencies, 2 from private sector and 4 from civil society and international organizations (others will be invited, as necessary)            | <ul style="list-style-type: none"> <li>- Formal recognition of NCB provided by GOI on 22 October 2007</li> <li>- First meeting on 21 November</li> <li>- Workshop organized for February 2008 to draft national strategy and action plan</li> <li>- Swedish consultant (Dan Wilhelmsson) assigned to provide technical support</li> </ul>        |
| Indonesia         | To be determined – currently, both a steering committee and a technical committee have been formed informally and NCB members from academia and NGOs are being identified | <ul style="list-style-type: none"> <li>- The NCB will likely be established under a Ministerial decree (by Bappenas)</li> <li>- Several meetings have already been held by Bappenas to draft a NCB framework and national strategy for Indonesia</li> <li>- Swedish consultant (Lars Johansson) assigned to provide technical support</li> </ul> |
| Maldives          | NCB established within the existing Climate Change Technical Committee  | <ul style="list-style-type: none"> <li>- Draft national strategy prepared with support from Swedish consultant (Olof Linden)</li> </ul>  |
| Seychelles        | 22 members – 8 from government agencies, 5 from private sector and 9 from civil society and international organizations   | <ul style="list-style-type: none"> <li>- First meeting on 22 November, 2007</li> <li>- Work on drafting national strategy and action plan will commence in January 2008 with support from Swedish consultant (Olof Linden)</li> </ul>  |
| Sri Lanka         | 21 members – 10 from government agencies, 2 from private sector and 9 from civil society and international organizations  | <ul style="list-style-type: none"> <li>- NCB established on 03 September, 2007</li> <li>- First meeting on 21 September with subsequent expert workshop to discuss draft national strategy and action plan prepared by national consultant</li> </ul>  |
| Thailand          | 26 members – 10 from government agencies, 1 from private sector and 15 from civil society and international organizations   | <ul style="list-style-type: none"> <li>- NCB officially established on 31 August, 2007</li> <li>- First meeting on 21 September followed by a national workshop (30-31 October) facilitated with support from Swedish consultant (Tim Greenhow)</li> </ul>   |

A work plan priority for 2008 will be to accelerate the support to the NCBs to ensure they can deliver the MFF national strategy and action plan in time for the MFF Regional Forum scheduled for late April 2008. It will also be important to provide administrative support to enable the NCBs to oversee the Small Grant Facility and develop/review large project proposals for MFF funding.

### **c) Establishment and operations of Regional Coordination Unit (MFF Secretariat)**

A secretariat for MFF has been established in the IUCN Asia Regional Office (Bangkok) with office space to accommodate 3-4 staff, including secondments from MFF focal countries and international partners. A full-time MFF Coordinator (Dr. Don Macintosh) to lead the secretariat was appointed in August, 2007. The MFF Secretariat receives administrative and communications support as well as technical backstopping support from both the IUCN Asia Regional Office and the UNDP Regional Center, also located in Bangkok.

The MFF Secretariat is responsible for providing support to the MFF Regional Steering Committee (RSC) and liaising with both National Coordinating Bodies (NCBs) and MFF partners; overseeing the coordination, learning, monitoring/evaluation and internal communication between MFF projects; overseeing the external communications of MFF; ensuring the timely delivery of reports and communications with MFF donors; and facilitating the provision of technical assistance to the MFF initiative and its projects.

During 2007, the MFF Secretariat organized and facilitated two full (and one informal) RSC meetings, and participated in a number of NCB meetings and workshops. The secretariat also coordinated the selection and deployment of Swedish experts, as well as overseeing the contractual agreements with implementing partners leading the work on preparatory technical actions.

The Secretariat organized and supported participation from MFF countries in two separate training opportunities in 2007:

- An intensive course in Integrated Coastal Ecosystem Management in Bangkok (23 July-10 Aug) delivered by the Asian Institute of Technology and the Coastal Resource Center of Rhode Island University – attended by 8 sponsored participants from 5 MFF countries;
- A workshop on Adaptation Strategies for Climate Change in Yogyakarta (30 Oct-02 Nov) organized by Government of Indonesia, UNFCCC, UNITAR and IUCN – attended by MFF representatives from 5 countries.

The secretariat also developed a unique logo and visual identity for MFF that was endorsed at RSC-2. A dedicated MFF website is under construction and will be fully operational in early 2008 (Qtr. 1).

### **d) Development of monitoring, evaluation and learning framework**

The Mangroves for the Future initiative is built around a programme strategy of generating the necessary knowledge, empowering institutions and people to use that knowledge, and enabling them to participate more effectively in decision-making and promoting good governance in coastal areas. MFF's impacts are proposed through a set of 19 Results in four key areas of influence: regional cooperation, national programme support, private sector engagement and community action (see *MFF Plan of Action* (p. 3) for the full strategic and implementation framework).

The initial management and technical actions (Table 1) essentially provide for the following:

- Establishing the governance mechanisms for implementation, both at the regional (Regional Steering Committee) as well as at the country levels (National Coordinating Bodies), and setting up the regional coordination unit (MFF secretariat);
- Supporting the national planning process for MFF implementation; and
- Undertaking a number of technical assessments in key thematic areas for consolidating existing information (i.e. establishing the baseline) and identifying priorities for further work based on existing needs and information gaps.

To assist in monitoring early implementation progress, a set of output indicators to be used at the national and regional levels in monitoring the programme has been developed as part of a MFF programme planning matrix for the initial management and technical actions implemented during 2007 and 2008 (Annex 2).

For each technical output, a detailed work plan with timelines, budgets and deliverables has been developed and contractually agreed to between the lead implementing agency and the MFF secretariat which facilitates regular monitoring and tracking of both expenditures and outputs. Aside from providing a monitoring framework, the preparatory technical actions are designed to consolidate existing information and knowledge through the sharing of experiences and best practices at both country and regional levels. Opportunities for regional learning (identified as a common need during RSC-1) will be emphasized during the MFF Regional Forum (April 2008) when both the preparatory technical actions and the country strategies will be presented and discussed in one forum.

#### **e) Development of detailed project proposals and fundraising**

During the first half of 2007 and prior to RSC-1, a number of proposals (concept papers) were developed for priority technical actions that would provide the needs assessments and consolidate information bases required to further develop projects under the specified MFF programmes of work. This would also help the MFF focal countries determine their priorities for future MFF investments as part of developing their national strategy and action plan. At RSC-1, nine proposals were discussed and approved following identification of lead implementing agencies and partners (see section B. Technical Actions).

In 2007, there were three bilateral donors supporting MFF implementation over at least the first 2-3 year period : Norway (NOK 30 million), Sweden (SEK 29 million), Germany (EU 1.5 million). Australia provided support (AUD 250,000) over a 7-month period in 2007 to carry out training and capacity needs assessments for coastal managers in Indonesia and Sri Lanka.

Based on the identified needs in the two country assessment reports, a follow-up proposal was submitted to AusAID in late December 2007 to engage Australia over a longer period of time in the MFF programme of work focusing on capacity building and training of coastal managers (PoW#7).

Additional fundraising for MFF will begin in 2008 (Qtr 2), and following the MFF Regional Forum (April 2008) when MFF can show more “on-the-ground” results and use the national MFF strategies as priorities for a new fundraising strategy, plus the existing MFF support as leveraging funds to approach national governments and donors. The country strategies should

each have a fundraising component targeting bilateral or government sources, while the MFF secretariat will develop an overall strategy for approaching potential donors at regional and global levels.

The Secretariat also needs to be proactive in identifying private sector partnership models and good private sector investment opportunities in the coastal zones.

New MFF publicity materials are needed to reflect the progress MFF has made in 2007. These will be especially important to support the next round of fundraising. For this reason, some of the publicity materials should be concise but highly informative.

#### **f) Design and establishment of MFF Trust Fund and Small Grants Facility**

The *MFF Plan of Action* suggested the establishment and operation of a 'single programme fund' as a repository of additional funding for MFF raised in the coming years. In preparation for the first RSC meeting (RSC-1), the secretariat examined options for establishing such a Fund as a mechanism for receiving, managing and allocating funding provided to MFF from various sources, in a transparent and accountable manner, and in an effective and efficient way. These options were then presented and discussed at RSC-1.

Whilst RSC members felt the need for a long-term perspective on a MFF Trust Fund (and requested the secretariat to examine long-term options), it decided for the present funding agreements to maintain a simple mechanism to receive and disburse funds that includes:

- Funds will be maintained in a separate IUCN bank account in the name of MFF;
- IUCN and UNDP should jointly administer MFF funds and make direct disbursements to NGOs at the request of the NCBs or the RSC; and
- In regards to disbursements of MFF funds to government agencies, NCBs should formulate their own mechanisms for speedy disbursements and have these endorsed by the RSC.

A Small Grants Facility (SGF) for MFF was also discussed and endorsed (in principle) at the first RSC meeting as a useful funding mechanism for quick disbursements to support local actions. At RSC-2, design options for a SGF were presented using best practices from the Green Coast tsunami response program (led by Wetlands International) and the UNDP South-South Grants Fund. After considerable discussion, RSC members agreed to the following decisions:

- The upper ceiling for SGF funded projects will be USD 25,000 – NCBs may decide to have two tiers with a ceiling of USD 10,000 for the first tier;
- An initial allocation of USD 100,000 will be made to each focal country and any additional allocations will be performance based (e.g. quality of proposals, implementation efficiency);
- NCBs will have oversight of the SGF and may appoint a sub-committee for this purpose;
- An existing agency within each country will be used for administration and M&E of the SGF, under the purview of the NCB;

Guidelines for the SGF will be finalized by the MFF Secretariat early in 2008 with a view of having SGF disbursements proceed as quickly as possible (i.e. operational in Qtr 2).

## B. Technical Actions (based on *MFF Plan of Action*)

As mentioned earlier, the preparatory technical actions are designed to consolidate existing information and knowledge through the sharing of experiences and best practices at both country and regional levels. The specific actions were chosen from the 15 programmes of work outlined in the *MFF Plan of Action* as priorities for early attention and to establish baselines against which the results and outcomes from MFF investments could be measured. A total of 9 preparatory technical actions were endorsed at RSC-1 for which detailed work plans, deliverables and budgets were established (Table 4 and Annex 2)

**Table 4. Preparatory technical actions with implementing agencies and partners.**

| Action (Short titles) <sup>1</sup>  | Implementing agencies                                | Partners  |
|---|--|---|
| 1.1. Gap analysis of existing data sources for coastal managers   | FAO  | RSC members, national consultants, NCBs   |
| 2.1/2.2: Development of country strategies and action plans   | NCBs <sup>1</sup> with IUCN and UNDP country offices | National consultants and international consultants (from Sweden)                    |
| 4.1. Development of ecosystem valuation tools and methods   | IUCN (Regional Environmental Economics Programme)    | UNDP, SANDEE, NCBs, national consultants and Swedish consultant (Patrick Ronnback)  |
| 5.1. Region-wide evaluation of environmental impacts of the post-tsunami reconstruction process                     | UNDP, UNEP and MFF Secretariat                       | RSC members and NCBs  |
| 7.1. National capacity and training needs assessments in ICM.   | Asian Institute of Technology (AIT)                  | Coastal Resource Center (University of Rhode Island), national consultants and NCBs |
| 10.1. Review of innovative and sustainable funding mechanisms   | Ecosystem Economics LLC (Dr. Bruce Aylward)          | RSC members and NCBs  |
| 11.1. Assessment of national and regional institutional mechanisms for ICM  | IUCN (Regional Environmental Law Programme)          | COBSEA, NACA, PEMSEA, SACEP, UNDP, SEAFDEC, and national consultants                |
| 13.1. Gap analysis to review existing protected area coverage and recommend areas in need of additional protection. | UNEP-WCMC  | RSC members, NCBs, WHC, Ramsar, World Commission on Protected Areas                 |
| <i>XX (New)</i> . Integrating climate change in MFF interventions   | UNEP and UNDP  | RSC members and NCBs  |

<sup>1</sup> Numbers refer to the specific programme of work detailed in the *MFF Plan of Action*

Based on feedback from the country consultations held in early 2007, the development of country strategies and action plans for MFF implementation (#2.1/2.2) was considered essential and a key role for the National Coordinating Bodies (NCBs) to lead as part of their establishment and ownership of the MFF initiative. Hence, this action was modified from the original programme of work (focusing on identifying specific sites for ecosystem restoration) into a broader activity that would also allow the outcomes of the other preparatory actions to be incorporated into the national strategies. Similarly, climate change issues were not explicit in the original *MFF Strategy*. However, given the rapidly increasing concerns over climate change impacts in coastal areas, it was considered important to ensure MFF interventions are “climate-proofed” justifying this as an additional preparatory action to guide subsequent work.

A 6 to 9-month time frame has been allowed for completing the preparatory actions (with the exception of the climate change work which will continue through 2008). While some work started as early as July-August 2007, several actions have experienced delays related to finalizing contracting agreements or scheduling in-country consultations with the NCBs (Annex 2). The aim is to have most of the preparatory actions (including the country strategies) substantially completed by April 2008 and in time to be presented at a MFF Regional Forum in Sri Lanka at the end of April when the outcomes of the early work will be shared between countries and MFF partners.

### **3. Challenges and constraints during 2007**

As discussed earlier, the first full year of MFF implementation focused on establishing and strengthening the governance and institutional structures necessary to build a regional partnership platform and national support structures. Attempting to do so with a focus on coastal areas of the Indian Ocean Region that are slowly recovering from the 2004 tsunami, where integrated coastal zone management is still in its infancy, and where the level of collaboration between government agencies, civil society organizations and the private sector varies considerably between countries (but is generally very limited in scope and scale) presents a unique challenge for MFF.

In this context, progress during 2007 has been substantive in terms of establishing a Regional Steering Committee with representation from six countries (ranging from Indonesia to the Seychelles), three UN agencies and three international organizations working on coastal conservation and livelihoods issues in the region. In most (but not all) countries, the RSC membership is represented in the composition of the National Coordinating Bodies that will oversee implementation in the countries. After initial delays, NCBs have now also been established in all six MFF countries and the preparation of country strategies and action plans are underway. It should perhaps not come as a surprise that the establishment of the national MFF governance structures has taken more time, considering their dependence on government procedures, coordination challenges and differing views of what MFF really is trying to do. To most MFF partners, this initiative provides an opportunity to catalyse collaboration and action to address long standing challenges of unsustainable coastal development and rapidly degrading coastal ecosystems.

Expectations that the MFF initiative would be able to immediately begin supporting implementation of the 15 programmes of work outlined in the *MFF Plan of Action* in all six MFF focal countries were not realistic. Firstly, the countries need to be able to identify their own priorities which will likely vary from one country to another. Secondly, the initial programme support provided by Norway and Sweden is only for the first three years (2007-2009) and should be used to build and strengthen the partnership platform, show early results and leverage additional funding both at country and regional levels. At the same time, a fundraising strategy should be developed early (Qtr 2 – 2008) to ensure the programme continues beyond 2009.

Ideally, the preparatory technical work designed to provide baselines and to consolidate existing information and knowledge in key thematic areas should have been completed before the NCBs started their national planning process to develop country strategies for MFF implementation. However, this would have further delayed the opportunity to support proposals for both small and large project initiatives. During 2007, both the preparatory technical work and the preparation of country strategies began and the synthesis of these parallel (but related) actions

will be done at the MFF Regional Forum in April, 2008. Following this milestone, disbursements for large project proposals addressing key priority areas within the MFF Programme of Work can begin. Even before then, a Small Grants Facility should be operational under the oversight of each NCB.

The regional programme (vs. project) approach adopted by the MFF initiative also takes time to mature and grow in the minds of both partners and stakeholders. There is a fine balance between adopting a new approach to do business and the effort it takes to sustain (or, “institutionalize”) this partnership approach. While the original commitments and institutional support for MFF expressed during the early country and donor consultations are still largely intact, it is important to ensure the RSC members continue to view MFF as an opportunity to promote sustainable coastal development, livelihoods security and conservation of coastal ecosystems. If MFF is viewed primarily as a short-term source of funding, the initiative will not reach its potential and will end up as “...just another project”.

Annex 2 provides details on the constraints experienced during 2007 and the actions that will be taken in 2008 to address these. In summary, while some delays have been experienced in establishing the NCBs and initiating the preparatory technical actions, these delays are not considered serious enough to impact on the results expected to be delivered in 2008.

#### 4. Status of MFF funding support and expenditures to date

At the first Regional Steering Committee meeting (RSC-1), the status of signed financial agreements between donors and IUCN was presented (Table 5). At the time, the total funding available was the equivalent of USD 11.4 million and most of this funding covered a 3-year period (2007-2009).

**Table 5. Status of Signed Agreements for MFF**

| Donor        | Amount (Local currency) | Amount (USD)                              | Time period          | Purpose   |
|--------------|-------------------------|---|----------------------|---|
| Norway       | NOK 30 million          | ca. USD 5 million (signed 30 Mar. 2007)   | 3 years              | General programme support for implementation of MFF   |
| Sweden       | SEK 29 million          | ca. USD 4.2 million (signed 15 Dec. 2006) | 2 years <sup>1</sup> | General programme support for implementation of MFF   |
| Germany      | EU 1.5 million          | ca. USD 2 million (signed Dec. 2006)      | 3 years              | Ecologically and socio-economically sound coastal ecosystem rehabilitation in Sri Lanka and Thailand (PoW #2)                       |
| Australia    | AUD 250,000             | ca. USD 200,000 (signed 23 April, 2007)   | 7 months             | National capacity and training needs assessments for integrated coastal zone management (ICM) in Indonesia and Sri Lanka (PoW #7.1) |
| FAO          | USD 24,074              | USD 24,074 (signed April, 2007)           | 3.5 months           | Provision of consultancy services to the MFF secretariat  |
| <b>TOTAL</b> |                         | <b>USD 11.4 million</b>                   |                      |   |

<sup>1</sup> Sida is considering extending the time period for another year (i.e. 3 years).

In addition, UNEP and UNDP had each pledged USD 500,000 during the donor consultation meeting at the UN (October, 2006) to support the MFF initiative in 2007 and 2008, respectively. Since RSC-1, UNEP has identified USD 119,000 to support climate change activities under MFF and an additional USD 80,000 for the Coordinating Body on the Seas of East Asia (COBSEA) to do a pilot study on integrating climate change adaptation into coastal zone planning and management in one Indonesian district. UNDP Regional Center in Bangkok has prepared a Regional Climate Change, Energy and Ecosystems Project (RCCEEP) to enable UNDP to engage programmatically in MFF both at country and regional level.

At RSC-2, an indicative budget (2007-2009) for the general programme support from Norway and Sweden was presented with actual expenditures (updated to end of 2007) and commitments in the form of signed contracts extending into 2008 (Table 6).

**Table 6. Indicative Budgets for support from Norway and Sweden (2007–2009)**

| Activity description   | Indicative Budgets | Actual expenditures (2007) <sup>1</sup> and signed commitments (through 2008) <sup>2</sup> | Balance          |
|--|--------------------|--|------------------|
| <b>Management actions</b>  |                    |  |                  |
| 1. MFF Programme Development (01 Nov. 2006 – 30 June 2007)   | 425,000            | 395,440 <sup>1</sup>   | 29,560           |
| 2. Formation and support to RSC and NCBs (6)   | 730,000            | 148,511 <sup>1</sup>   | 581,489          |
| 3. Establishment and operations of MFF Secretariat (Bangkok)   | 603,900            | 180,872 <sup>1</sup>   | 423,028          |
| 4. Development of M/E & learning frameworks (incl. regional fora)  | 230,000            | 7,700 <sup>1</sup>   | 222,300          |
| 5. Development of detailed project proposals and fundraising   | 150,000            | 38,543 <sup>1</sup>  | 111,457          |
| 6. Design, establishment and administration of MFF Trust Fund and Small Grants Facility                                | 150,000            | 15,344 <sup>1</sup>  | 134,656          |
|  |                    |  |                  |
| <b>Technical actions (based on <i>MFF Plan of Action</i>)</b>  |                    |  |                  |
| 1. Gap analysis of existing knowledge and data as compared to the needs of coastal managers for information (PoW #1.1) | 175,000            | 159,000 <sup>2</sup>   | 16,000           |
| 2. Development of MFF country strategies and action plans for MFF investments (#2.1/2.2)                               | 1,000,000          | 610,533 <sup>2</sup>   | 389,467          |
| 3. Development of simple ecosystem valuation tools (#4.1)  | 130,000            | 128,000 <sup>2</sup>   | 2,000            |
| 4. Evaluation of environmental impacts of the post-tsunami reconstruction process (#5.1)                               | 200,000            | 8,283 <sup>1</sup>   | 191,717          |
| 5. National capacity and training needs assessments (#7.1)   | 120,000            | 92,989 <sup>2</sup>  | 27,011           |
| 6. Review of sustainable funding mechanisms (#10.1)  | 100,000            | 100,000 <sup>2</sup>   | -                |
| 7. Assessment of ICM institutional mechanisms for ICM (#11.1)  | 175,000            | 175,000 <sup>2</sup>   | -                |
| 8. Gap analysis of existing protected area coverage (#13.1)  | 180,000            | 184,000 <sup>2</sup>   | (4,000)          |
| 9. Integrating climate change and climate variability in MFF interventions. (New)                                      | 200,000            | 8,055 <sup>1</sup>   | 191,945          |
|  |                    |  |                  |
| <b>Implementation of MFF Programme of Work (based on RSC and NCB decisions)</b>  |                    |  |                  |
| 1. Small Grant Facility – managed by IUCN/UNDP secretariats in each MFF country on behalf of the NCBs                  | 1,000,000          | -  | 1,000,000        |
| 2. Large regional and national projects endorsed by RSC – managed by MFF secretariat on behalf of RSC                  | 2,929,640          | -  | 2,929,640        |
| <b>Sub-total</b>   | <b>8,518,540</b>   | <b>2,252,269</b>   | <b>6,266,271</b> |
| Administration and management (8%)   | 681,460            | 96,862   | 584,598          |
| <b>TOTAL</b>   | <b>9,200,000</b>   | <b>2,349,131</b>   | <b>6,850,869</b> |

Almost half (45%) of the available programme support from Norway and Sweden has been budgeted for implementation of small and large project initiatives, commencing in 2008. As per decisions made at RSC-2, an initial allocation of USD 100,000 per country will be made to finance a Small Grants Facility to support small projects (< USD 25,000), while large project proposals (up to USD 300,000 each) for national or regional initiatives will be endorsed by the RSC. It is, therefore, expected that activity expenditures will accelerate in the second half of 2008 and throughout 2009. Additional savings from the preparatory technical actions could also be used to support project implementation.

As of December 2007, actual expenditures including commitments (in the form of signed contracts and agreements) that will be completed in early 2008 was USD 2,349,131, or 26% of the total budget available until the end of 2009. Most of the funding for 2007 used to establish the governance structures and initiate technical actions has come from the Sida agreement that was signed first (15 Dec. 2006). When the agreement with Norway was finalized (30 Mar. 2007), there was an initial expectation that this funding could be used to capitalize a MFF Trust Fund as a single programme fund which could be drawn down against specified projects under the oversight of the Regional Steering Committee. Since the establishment of a Trust Fund has been deferred (see RSC-1 minutes), the Norwegian funds will be used to support both the Small Grants Facility and large project proposals that have already been endorsed by the RSC.

## **5. Plans for 2008**

Following discussions of MFF programme priorities at RSC-2, a summarized workplan and set of milestones (including key events) to be achieved during 2008 have been prepared (Annex 3). The workplan priorities also attempt to address the constraints experienced during the first full year of MFF implementation. Hence, work will focus on strengthening administrative and coordination capacity at both regional and country levels, completing the preparatory work initiated in 2007, and bringing into operation the funding mechanisms for supporting both small and large project proposals addressing national and regional MFF priorities.

Fundraising has been identified as a priority during the second half of 2008 to ensure continued support for implementing the MFF programmes of work beyond 2009 by approaching additional donors while building on the existing programme support from Norway and Sweden.

A number of key events have also been identified to promote regional information sharing and learning, and to raise awareness and support for MFF activities.

## **Annex 1. List of Reference Documents for MFF Annual Report (2007)**

Available from the MFF Secretariat ([don@iucnt.org](mailto:don@iucnt.org)) and will be posted on the MFF website that is currently under construction.

- MFF Strategy (*Mangroves for the Future – A strategy for promoting investment in coastal ecosystem conservation, 2007-2012*). Printed September 2006. 27 pages.
- MFF Action Plan (*Mangroves for the Future – A plan for action*). Printed October 2006. 55 pages.
- RSC-1 minutes (Record of minutes from first MFF Regional Steering Committee, 08-09 May 2007, Bangkok).
- RSC-2 minutes (Record of minutes from second MFF Regional Steering Committee, 03-04 December 2007, Bangkok).
- Informal RSC meeting held @ Asia Regional Conservation Forum, 13 September 2007, Kathmandu. (Meeting report).
- MFF Visual Identity (10-page summary presented following RSC-2)

## Annex 2. MFF Programme Planning Matrix for 2007- 2008.

| Actions/Outputs   | Output Indicators  | Status (as of Dec. 07)   | Constraints and Response   |
|---|--|--|--|
| <b>Programme Coordination and Management</b>                        |  |  |  |
| 1. MFF Programme Development  | <ul style="list-style-type: none"> <li>➤ Programme presented, discussed and endorsed by both international and national partners;</li> <li>➤ National consultation reports;</li> <li>➤ Concept papers and proposals prepared for priority actions;</li> <li>➤ Work on priority actions substantially underway for completion in 2008 (Qtr 1)</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Consultations with both international partners (UNDP, UNEP, FAO, CARE, WI, WWF), national governments and civil society organizations completed;</li> <li>➤ Completed for all 6 MFF Focal Countries;</li> <li>➤ Completed for 9 technical studies (see below);</li> <li>➤ Work underway for 8 of 9 studies ( #5.1: environmental impacts of coastal management extended and integrated with additional study on climate change - work will continue through 2008).</li> </ul> | <p>Completed</p> <p>Delays experienced with several priority actions due to delays/scheduling problems with consultants; now all rescheduled to ensure 8 of 9 studies report by 2008 (Qtr. 1).</p>   |
| 2. Regional Steering Committee (RSC)                                | <ul style="list-style-type: none"> <li>➤ Functional, representative Regional Steering Committee (RSC);</li> <li>➤ Process document setting out the <i>modus operandi</i> for the RSC;</li> <li>➤ Minutes of the meetings of the RSC.</li> </ul>  | <ul style="list-style-type: none"> <li>➤ RSC established and functioning with representation from 6 countries, 3 UN agencies and 3 international organizations;</li> <li>➤ ToRs developed and endorsed by RSC;</li> <li>➤ Completed and distributed for RSC-1 and RSC-2.</li> </ul>  | <p>RSC representation from countries mainly from environment agencies → ensure broad representation on NCBs to reflect MFF vision;</p> <p>Continuing dialogue with NCBs on the importance of broad representation.</p>   |
| 3. National Coordinating Bodies (NCBs) in the 6 MFF focal countries | <ul style="list-style-type: none"> <li>➤ Functional, representative National Coordinating Bodies (NCBs) with states, civil society organizations and private sector represented;</li> <li>➤ Process document setting out the <i>modus operandi</i> for the NCBs;</li> <li>➤ Work on development of national strategies and action plans for MFF implementation substantially underway for completion in 2008 (Qtr 1).</li> </ul> | <ul style="list-style-type: none"> <li>➤ NCBs established and working with broad representation in 4 of 6 countries– private sector represented on India, Seychelles, Sri Lanka and Thailand NCBs;</li> <li>➤ Generic ToRs prepared and modified by NCBs based on national contexts;</li> <li>➤ National planning process progressing: draft strategies prepared for Indonesia, Maldives, Sri Lanka and Thailand (delays in India and Seychelles until February 2008).</li> </ul>                                      | <p>NCBs slow in formation → accelerate secretariat support from IUCN/UNDP country offices during 2008;</p> <p>NCBs uneven in representation → work to ensure RSC members are represented on NCBs wherever practically possible and NCB secretariats support broad representation at national level;</p> <p>Consultant support to NCBs in India and Seychelles rescheduled to February 2008 due to illness of 2 international consultants</p> |

| Actions/Outputs  | Output Indicators  | Status (as of Dec. 07)   | Constraints and Response   |
|--|--|--|--|
| 4. Regional Coordination Unit (Secretariat)              | <ul style="list-style-type: none"> <li>➤ Functional coordination unit with the requisite staffing providing administrative, technical and communications support to the RSC and NCBs;</li> <li>➤ MFF has its own logo and visual identity;</li> <li>➤ MFF has its own website;</li> <li>➤ RSC meetings well organized and documented;</li> <li>➤ Effective and timely response to requests for support from RSC members and NCBs;</li> <li>➤ Effective liaison, coordination and deployment of international experts from Sweden.</li> </ul> | <ul style="list-style-type: none"> <li>➤ MFF Coordinator recruited (Aug. '07) and office space provided for additional staff, secondments and interns;</li> <li>➤ Completed following RSC-2 directives;</li> <li>➤ Not completed (will be done in early 2008);</li> <li>➤ Two RSC meetings arranged in 2007 and meeting records distributed (need more prep time and shorter turn-around time for minutes);</li> <li>➤ MFF Coordinator visited all MFF countries (except Seychelles) during late 2007 and will continue these visits in early 2008 to coincide with NCB meetings;</li> <li>➤ 4 experts deployed to support NCBs in 5 countries; 1 expert deployed to support regional activity on economic valuation tools.</li> </ul> | <p>MFF secretariat stretched with only one full-time staff (Coordinator) and part-time support from other IUCN staff → hire dedicated MFF programme officer in Qtr. 1.</p> <p>MFF communications strategy not yet finalized → complete in Qtr. 1 to ensure knowledge products and outreach materials are well planned, professionally produced and widely disseminated.</p> <p>Coordination with current and potential MFF partners at both regional and national levels complex and time-consuming → in 2008, focus on existing RSC partners and build national capacity for coordination and delivery.</p> |
| 5. Monitoring, evaluation and learning framework for MFF | <ul style="list-style-type: none"> <li>➤ Programme planning matrix developed for 2007 and 2008;</li> <li>➤ Promote opportunities for regional sharing of experiences.</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Completed with output indicators for initial management actions and preparatory technical actions;</li> <li>➤ Supported participation from MFF countries in training on Integrated Coastal Ecosystem Management in Bangkok (23 July-10 Aug); and on Adaptation Strategies for Climate Change in Yogyakarta (30 Oct-02 Nov).</li> </ul>  | <p>Programme (as opposed to project) approach to MFF requires higher level outcome and impact indicators beyond 2008 → in 2008 (Qtr 3), refine the programme planning matrix to include higher level indicators that can be measured after 5 years (i.e. by 2011).</p>   |
| 6. Detailed project proposals and fundraising            | <ul style="list-style-type: none"> <li>➤ Concept papers and proposals prepared for priority preparatory technical actions under MFF Programmes of Work (PoWs);</li> <li>➤ Project proposals endorsed by RSC;</li> <li>➤ No. of new proposals developed, submitted to donors and funded.</li> </ul>   | <ul style="list-style-type: none"> <li>➤ 9 proposals totalling USD 2,313,000 prepared addressing 8 PoWs and 1 “new” activity (climate change);</li> <li>➤ All proposals endorsed at RSC-1;</li> <li>➤ 1 new proposal submitted to AusAID in December 2007 (USD 1,800,000) – fundraising efforts will accelerate in 2008 (Qtr 2).</li> </ul>  | <p>Existing funding only until end 2009 (whereas MFF designed as a long term programme of at least 5 years) → in 2008 (Qtr 2), prepare a MFF fundraising strategy for 2009 onwards that addresses regional and national priorities and uses existing MFF support as leveraging funds to approach national governments and donors.</p>  |

| Actions/Outputs  | Output Indicators  | Status (as of Dec. 07)  | Constraints and Response  |
|--|--|---|---|
| 7. MFF Trust Fund and Small Grants Facility  | <ul style="list-style-type: none"> <li>➤ Options for design, status and governing of MFF Trust Fund prepared and discussed with RSC;</li> <li>➤ Articles of establishment and functional governing body for the Trust Fund;</li> <li>➤ Options for design and administration of MFF Small Grants Facility (SGF) prepared and discussed with RSC;</li> <li>➤ SGF operational in each MFF country.</li> </ul>                    | <ul style="list-style-type: none"> <li>➤ Presented at RSC-1 and deferred until next phase of MFF when new funding may facilitate the establishment of a Trust Fund;</li> <li>➤ Deferred based on RSC-1 decision;</li> <li>➤ Detailed discussions and endorsement of a SGF at RSC-2. Guidelines and initial allocations will be provided to NCBs in 2008 (Qtr 1);</li> <li>➤ By 2008 (Qtr 2).</li> </ul> | Reconciling the need for quick actions on the ground vs. the need for identifying regional and national priorities for MFF investments → in 2008 (Qtr 1) fast-track the SGF for each MFF country, and (Qtr 2) identify large proposals for funding to address priorities presented at the MFF Regional Forum.   |
| <b>Preparatory Technical Actions<sup>1</sup></b>   |  |   |   |
| 1. Gap analysis of existing knowledge and data as compared to the needs of coastal managers for information (PoW #1.1) | <ul style="list-style-type: none"> <li>➤ Report on existing information systems for coastal zone management and identified gaps of information required for coastal managers;</li> <li>➤ Comprehensive technical report, including a meta database of existing ICM information, gaps in knowledge and data sources, recommendations for filling these gaps and for ICM information collection, storage and sharing.</li> </ul> | <p>Contract with FAO signed (03 September, 2007) and lead consultant hired (15 December, 2007). Work continues on gathering existing information and organizing national workshops during Qtr 1 (2008).</p> <p>Workshops scheduled for completion and presentation at MFF Regional Forum in late April, 2008.</p>   | Delays experienced in signing contracts and identifying/securing national consultants → accelerate work by hiring additional staff and national consultants, and by facilitating the sharing of results from other PoWs (esp. #7.1 and #11.1).  |
| 2. Development of MFF country strategies and national action plans (modified from PoW #2.1/2.2)                        | <ul style="list-style-type: none"> <li>➤ National situation analyses of coastal ecosystems and livelihoods, including best practices and lessons learned;</li> <li>➤ MFF country strategies and action plans with priority sites and themes for MFF investment;</li> <li>➤ National portfolios of MFF projects;</li> </ul>   | National planning process substantially underway in Indonesia, Maldives, Sri Lanka and Thailand (with support from national and international consultants). Planning workshops scheduled for India and Seychelles in Jan-Febr., 2008.   | <p>Delays experienced in establishing the NCBs and providing support for national planning processes → accelerate support to ensure country strategies are drafted in time for MFF Regional Forum (4/6 country strategies already prepared);</p> <p>Results of preparatory technical actions need to be considered in identifying national priorities for MFF investments → facilitate information sharing between NCBs and technical leads as work progresses; use MFF Regional Forum as the “synthesizer” of the results.</p> |

| Actions/Outputs  | Output Indicators  | Status (as of Dec. 07)   | Constraints and Response   |
|--|--|--|--|
| <p>3. Development of simple ecosystem valuation tools and methods that can be used for planning and appraising coastal conservation and development activities (PoW #4.1)</p>                        | <ul style="list-style-type: none"> <li>➤ Summary papers on experiences of the economic valuation of coastal ecosystems;</li> <li>➤ Toolbox for valuing coastal ecosystems as development infrastructure;</li> <li>➤ Case studies of the application of valuation methods in key ecosystems in MFF focal countries.</li> </ul>  | <p>Literature review completed (Oct. 2007). National consultants identified to summarize key national literature, liaise with NCBs and identify/ develop simple ecosystem valuation tools relevant to each MFF country. Expert from Sweden (Patrick Ronnback) engaged as lead consultant.</p> <p>Work scheduled for completion and presentation at MFF Regional Forum in late April, 2008.</p> | <p>Delays experienced as a result of staff turnover in lead implementing agency → accelerate work and use Swedish expert and a new local team to support this regional activity.</p>   |
| <p>4. Region-wide evaluation of environmental impacts of the post-tsunami reconstruction process, efforts at ecosystem restoration, and review of funding to environmental activities (PoW #5.1)</p> | <ul style="list-style-type: none"> <li>➤ Country reports of environmental impacts and lessons learned from tsunami response;</li> <li>➤ Summary of existing guidelines and best practices for “greening” reconstruction and recovery efforts;</li> <li>➤ Portfolio analysis of current investments in coastal ecosystem conservation;</li> <li>➤ Toolkit for coastal managers incorporating guidelines and best practices for supporting environmental sustainability in reconstruction and recovery efforts.</li> </ul> | <p>Only partially addressed in 2007, including producing summary of existing guidelines for “greening” reconstruction and a report entitled “Lessons learned from post-tsunami coastal ecosystem rehabilitation” by FAO secondment (Serena Fortuna).</p>   | <p>This activity has only been partially completed as a lead agency was not identified (see RSC-1 minutes) → present at MFF Regional Forum and decide on next steps;</p> <p>Propose integrating PoW#5.1 components on policy and practical tools for coastal management with tools for climate change adaptation (at regional workshop planned for September 2008 in Indonesia)</p>              |
| <p>5. National capacity and training needs assessments for different stakeholder groups in order to identify gaps, needs, strengths and opportunities for building capacity in ICM (PoW #7.1)</p>    | <ul style="list-style-type: none"> <li>➤ Review and critique of previous national capacity and training needs assessments relevant to Integrated Coastal Management (ICM);</li> <li>➤ Country assessment reports of the capacity and training needs of coastal managers and representative stakeholders;</li> <li>➤ Compendium of ICM training providers and their delivery capacity;</li> </ul>   | <p>Country reports completed for Indonesia and Sri Lanka; in preparation for Thailand;</p> <p>National workshops scheduled for India, Maldives and Seychelles in Jan-Feb. 2008;</p> <p>One new funding proposal for addressing capacity and training needs in Indonesia and Sri Lanka submitted to AusAID;</p>   | <p>Work in Indonesia and Sri Lanka funded separately by AusAID (under a 7-month agreement) requiring quick implementation and insufficient consultations with NCBs (in Sri Lanka) → treat Sri Lanka country report as a “work in progress” and revise (if necessary) at the MFF Regional Forum;</p> <p>Approach modified to give other NCBs more time to prepare for the national workshops.</p> |

| Actions/Outputs  | Output Indicators   | Status (as of Dec. 07)  | Constraints and Response  |
|--|---|---|---|
|  | <ul style="list-style-type: none"> <li>➤ At least one new funding proposal under MFF for addressing priority ICM training needs.</li> </ul>   | <p>Work scheduled for completion and presentation at MFF Regional Forum in late April, 2008.</p>  |   |
| <p>6. Review of innovative and sustainable funding mechanisms which have applicability to coastal areas and coastal management actions (PoW # 10.1)</p>                                      | <ul style="list-style-type: none"> <li>➤ Guide to developing sustainable financing mechanisms and strategies for coastal and marine ecosystems in the Indian Ocean Countries;</li> <li>➤ Sustainable financing strategy for key MFF actions;</li> </ul>   | <p>Review paper “<i>Sustainable financing mechanisms and strategies for coastal and marine ecosystems in the Indian Ocean: A Literature Review</i>” completed (Nov. 2007).<br/> Four issues paper (related to property rights, regulatory vs. voluntary actions, poverty considerations and partnerships) drafted and under review with national consultations scheduled for Jan-Feb. 2008;<br/> Work scheduled for completion and presentation at MFF Regional Forum in late April, 2008.</p>  | <p>Delays experienced in identifying lead implementing agency → a consulting company specializing in environmental economics retained to implement this activity.</p>   |
| <p>7. Assessment of national institutional mechanisms and programmes for ICM to identify and operationalise appropriate, inclusive and sustainable MFF governance mechanisms (PoW #11.1)</p> | <ul style="list-style-type: none"> <li>➤ Criteria and methodology for assessing the institutional component of ICM governance;</li> <li>➤ National assessments and case studies of ICM governance with recommendations on appropriate governance mechanisms to facilitate implementation of the full MFF programme ;</li> <li>➤ Handbook on national ICM governance with electronic resource base;</li> <li>➤ Regional assessment of existing inter-governmental ICM bodies and potential for strengthened cooperation with civil society.</li> </ul> | <p>Methodology workshop for assessing the institutional component of ICM governance completed (July 2007);</p> <p>National consultants were engaged prior to the methodology workshop in July 2007. Five of the 6 countries have submitted at least a first draft and one country has submitted a revised draft;</p> <p>It was decided in June 2007 that rather than produce a handbook, the governance PoW would produce policy briefs based on the national assessments. Those will be drafted in 2008 by the regional expert on CZM governance who is peer reviewing the national assessments. The regional assessment report was received in December 2007.</p> | <p>Lack of published information on ICM governance (esp. at the regional level) has caused initial delays as the assessments at both national and regional levels are examining issues that have not been comprehensively addressed to date → regional study prioritised by Secretariat and consultant recruited, report prepared late 2007; national studies given more time/other resources to deliver reports by Feb 08.</p> |

| Actions/Outputs  | Output Indicators   | Status (as of Dec. 07)   | Constraints and Response   |
|--|---|--|--|
| <p>8. Gap analysis to review existing marine and coastal protected area (MPCA) coverage and to identify a process for establishment of regionally/nationally representative MPCA systems (PoW # 13.1).</p> | <ul style="list-style-type: none"> <li>➤ Produce a metadata review report on existing MPCA data mapped against key global, regional and national biodiversity priorities;</li> <li>➤ Analyse the adequacy of the existing MPCA system measured against key biodiversity priorities;</li> <li>➤ Produce report and GIS database detailing priority areas for creating new MCPAs and establishing networks of MCPAs at a regional scale;</li> <li>➤ Provide guidelines on national MPCA system planning.</li> </ul> | <p>The GIS database has been completed with maps and Access Database prepared for the 6 MFF countries based on World Database on Protected Areas and other data sets. A literature search relevant to MCPAs in the region and 6 countries has also been completed and a gap analysis methodology prepared;</p> <p>Additional data sets have been assessed to analyse the adequacy of the existing MPCA system against key coastal ecosystems, species and biodiversity priorities;</p> <p>Draft report and draft guidelines on MPCA system planning have been prepared in readiness for the April MFF Forum;</p> <p>Outputs will be available by the deadline of March 31, 2008.</p> | <p>MCPAs are not generally as clearly delineated as terrestrial protected areas; hence, it is important for the countries to examine (“ground truth”) the available information in the global World Database on Protected Areas → Consultation with NCBs and others in the affected countries will be carried out (field visits planned for India, Sri Lanka, Indonesia and Thailand in Feb 08).</p> |
| <p>9. Integrating climate change and climate variability in MFF interventions (<i>New</i>)</p>   | <ul style="list-style-type: none"> <li>➤ Review of climate change induced vulnerabilities in the MFF countries;</li> <li>➤ Review of MFF Programmes of Work (15) with recommendations for integration of climate change issues;</li> <li>➤ Develop climate proofing tool kit for integrating adaptation measures in MFF initiatives;</li> </ul>   | <p>This preparatory activity has been re-designed by the leads (UNEP-UNDP) from the original concept (see RSC-1 minutes) and UNEP will contribute an additional \$119K to this activity, including recruiting a UNEP MFF staff member to focus on climate change;</p> <p>Review papers will be prepared by end January (2008) and the climate proofing toolkit will be presented as part of a regional training workshop planned for September 2008.</p>   | <p>Climate change considerations were not adequately addressed in the original 15 Programmes of Work outlined in the <i>MFF Plan of Action</i> → ensure prioritization of geographical areas, ecosystems and activities for MFF support integrates climate change considerations.</p>  |

<sup>1</sup> Output indicators are based on deliverables identified for each action - numbers refer to specific MFF programme of work (PoW) as identified in the *MFF Plan of Action*.

### Annex 3. MFF workplan and milestones for 2008

#### Workplan

|   | 2008 (by Quarter) |   |   |   |
|---|-------------------|---|---|---|
|   | 1                 | 2 | 3 | 4 |
| Strengthen coordination ability of MFF secretariat to respond to requests from NCBs and RSC partners (hire dedicated MFF programme officer)   |                   |   |   |   |
| Strengthen secretariat support to NCBs from IUCN/UNDP country offices to help facilitate completion of country strategies and administration of Small Grants Facility                             |                   |   |   |   |
| Finalize MFF communications strategy to ensure knowledge products and outreach materials are well planned, professionally produced and widely disseminated  |                   |   |   |   |
| Finalize preparatory technical actions for presentation at MFF Regional Forum   |                   |   |   |   |
| Prepare draft country strategies and action plans for MFF investments and finalize after Regional MFF Forum   |                   |   |   |   |
| Prepare a MFF fundraising strategy for 2009 onwards that addresses regional and national priorities and uses existing MFF support as leveraging funds to approach national governments and donors |                   |   |   |   |
| Implement MFF fundraising strategy  |                   |   |   |   |
| Finalize criteria and guidelines for Small Grants Facility and allocate an initial investment (USD 100,000) for each MFF country  |                   |   |   |   |
| Implement and administer SGF in each MFF country  |                   |   |   |   |
| Finalize criteria and guidelines for large project proposals for RSC endorsement  |                   |   |   |   |
| Approve, administer and oversee implementation of large project proposals   |                   |   |   |   |
| Refine MFF programme planning matrix to include higher level indicators that can be measured after 5 years (i.e. by 2011)   |                   |   |   |   |
| Programme workplans, reporting and monitoring   |                   |   |   |   |

#### Milestones

|   | 2008 (by quarter) |   |   |   |
|---|-------------------|---|---|---|
|   | 1                 | 2 | 3 | 4 |
| Adequate secretariat support at regional and national levels in place   | →                 |   |   |   |
| MFF communications strategy finalized   | →                 |   |   |   |
| Preparatory technical actions presented and finalized   |                   | → |   |   |
| Country strategies for MFF investments finalized  |                   | → |   |   |
| MFF fundraising strategy finalized  |                   | → |   |   |
| SGF operational   |                   | → |   |   |
| Call for large project proposals issued   |                   | → |   |   |
| RSC-3 meeting in Bangkok  |                   | → |   |   |
| RSC-4 meeting in Seychelles (tentative)   |                   |   |   | → |
| MFF Regional Forum in Sri Lanka for presentation of MFF country strategies and results of preparatory technical actions |                   | → |   |   |
| MFF Session at 4 <sup>th</sup> World Conservation Congress, Barcelona (use as a fundraising opportunity)                |                   |   |   | → |
| MFF Scientific and Technical Symposium on Mangrove Ecosystem Management, Ranong (Thailand)                              |                   |   |   | → |
| Annual progress and financial reports   |                   |   |   | → |



Mangroves for the Future (MFF) is a unique partner-led initiative to promote investment in coastal ecosystem conservation for sustainable development. It provides a collaborative platform among the many different agencies, sectors and countries who are addressing challenges to coastal ecosystem and livelihood issues, to work towards a common goal.

MFF builds on a history of coastal management interventions before and after the 2004 tsunami, especially the call to continue the momentum and partnerships generated by the immediate post-tsunami response. It focuses on the countries most-affected by the tsunami; India, Indonesia, Maldives, Seychelles, Sri Lanka, and Thailand. However, MFF will also include other countries of the Region that face similar issues, with an overall aim to promote an integrated ocean wide approach to coastal zone management.

The initiative uses mangroves as a flagship ecosystem in recognition of the destruction caused to mangroves by the tsunami, but MFF is inclusive of all coastal ecosystems, including coral reefs, estuaries, lagoons, sandy beaches, sea grasses and wetlands. Its long-term management strategy is based on identified needs and priorities for long-term sustainable coastal ecosystem management. These priorities emerged from extensive consultations with over 200 individuals and 160 institutions involved in coastal management in the Indian Ocean Region.

MFF seeks to achieve demonstrable results in influencing regional cooperation, national programme support, private sector engagement and community action. This will be achieved using a strategy of generating knowledge, empowering institutions and individuals to promote good governance in coastal ecosystem management.

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