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**IMPLEMENTING THE STRATEGIC ACTION PROGRAMME FOR THE YELLOW SEA LARGE MARINE ECOSYSTEM:
RESTORING ECOSYSTEM GOODS AND SERVICES AND CONSOLIDATION OF A LONG-TERM REGIONAL
ENVIRONMENTAL GOVERNANCE FRAMEWORK
(UNDP/GEF YSLME Phase II Project)**

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English only

**Ad hoc Meeting of Interim Commission Council of the UNDP/GEF YSLME Phase II
Project**

Shangri-la Hotel, Qingdao, PR China

15-16 July 2019

YSLME Trust Fund

1. This document was prepared by Ms. Elisabeth Carrio, the Financial Specialist contracted by UNOPS in accordance to the TOR approved by the 2nd Meetings of the MSTP and ICC and revised in accordance with the decisions of the 3rd Meetings of the MSTP and ICC.

Introduction

2. In the 2nd Meetings of the MSTP and ICC held on March 27-28, Dalian, PR China, the Members endorsed the terms of reference (TOR) of both Ocean Governance Specialist and Financial Specialist for developing documents that will lead to the establishment of YSLME Commission. Both TORs can be found in the proceeding of the 1st Meeting of the Regional Working Group on Governance (RWG-G).
3. As agreed by the RWG-G, the consultants were requested to develop necessary documents for review by members of RWG-G to institutionalize the YSLME Commission. Consequently, the two consultants submitted the report entitled “Basic instruments on establishment of the YSLME governance mechanism” and the “Proposal for the YSLME Trust Fund” respectively.
4. At the 3rd Meetings of MSTP/ICC, the two countries agreed to continue discussions for a mutually agreed interpretation of the YSLME Commission serving as the regional ocean governance mechanism for the YSLME, together with a report from a study on options for a sustainable ocean governance mechanism being implemented by a

consultancy firm. The attached report was revised accordingly for consideration in combination with the report of the study on options for a sustainable ocean governance mechanism in the YSLME.

Recommendation

5. The Secretariat recommends that:

The first *ad hoc* Meeting of the ICC:

- i. Review the scope, relevance and adequacy of the documents submitted by the consultant that lay down the key elements of the funding scheme of the regional ocean governance mechanism for the YSLME, and
- ii. Provide guidance on further revisions needed to help construct sustainable financing mechanism including on the legal documents, rules, policies necessary for the sustainable operation of the regional ocean governance mechanism for the YSLME.

Draft proposal on YSLME Trust fund

Background

1. The Yellow Sea Large Marine Ecosystem (**YSLME**) is threatened by environmental issues while life of millions of people depends on it. The scale and the complexity of the situation which concerns the fishing sector, the preservation of marine species but also agriculture, food contamination and health call for international aid that is structured and tailored to complex situations, can be organised quickly and efficiently and provide holistic and sustainable solutions.

2. The RO Korea and PR China are actively contributing to the alleviation of the situation. A Strategic Action Plan (**SAP**) has been adopted by these two countries in 2009. A regional project (**Project**) has been signed in May 2014 and launched in July 2017 with the UNDP as implementing agency and UNOPS as executing agency. The aim of the project is to achieve adaptive ecosystem-based management of the YSLME by fostering long-term sustainable institutional, policy and financial arrangements as described in the YSLME Strategic Action Programme. This SAP is currently under review and will be updated and adopted by the Interim Commission Council during the UNDP/GEF YSLME Phase II Project.

3. The SAP includes four components:
 - (a) Ensuring sustainable national and regional cooperation for ecosystem-based management, based on strengthened institutional structures, improved knowledge base and strengthened capacity for decision making;
 - (b) Improving ecosystem carrying capacity with respect to provisioning services;
 - (c) Improving ecosystem carrying capacity with respect to regulating and cultural services;
 - (d) Improving ecosystem carrying capacity with respect to supporting services.

To support the SAP implementation, institutional and legislative actions as well as financial structure are required in order to develop robust coordination mechanisms, ensure a large participation of stakeholders, reinforce regulatory mechanisms while strengthening the incentive structure to promote environmental protection and to ensure a sustainable implementation of the regional cooperation within and beyond the project.

4. Therefore, the Project outcome 1.1 of the Component 1 foresees the establishment of the YSLME Commission as the cooperating and coordinating body for the long-term management and operation of all activities in protecting marine environment and sustainable uses of marine and coastal resources.

5. The structure of an Interim YSLME Commission has been established in December 2017. The Commission bodies are as follows:
 - (a) Interim Commission Council (**ICC**);

- (b) Management, Science and Technical Panel (**MSTP**);
- (c) Regional Working Groups (**RWGs**);
- (d) Inter-Ministry Co-ordinating Committee (**IMCC**);
- (e) National Co-ordinator (**NC**);
- (f) National Working Groups (**NWGs**);
- (g) Commission **Secretariat**.

6. The Project outcome 1.5 of Component 1 entitled “sustainable financing for regional collaboration on ecosystem-based management secured, based on cost-efficient and ecologically-effective actions” states that ‘with the agreement to establish the YSLME Commission, sustainable financing for regional collaboration will be a fundamental issue for negotiation and agreement by the two countries. The negotiations of sustainable financing mechanism will include, among others, sustainable sources of finance, rules and procedures for utilisation of resources and monitoring and evaluation of cost effectiveness’.
7. The Project output 1.5.2. of outcome 1.5 specifically seeks an agreement on sustainable financing of the YSLME Commission from the governments of participating countries as there were ‘no systematic planning of budgets for regional cooperation in marine environment protection and sustainable uses of marine and coastal resources in Yellow Sea’. Project signatories anticipated that ‘there would be sustainable financing provided for the YSLME Commission, including its secretariat with major financial support from the national government of the coastal countries and other sources.’ It was also stated that ‘cooperation with other organisations and projects relevant to the Yellow Sea would be another consideration for the sustainable financing mechanism.’
8. By decision of 27-28/03/2018, the Management, Science and Technical Panel (**MSTP**) and the Interim Commission Council (**ICC**) of the UNDP/GEF YSLME Phase II Project approved the plan for establishment of the YSLME Commission and requested the preparation of a draft version of a financial contribution agreement through the establishment of a Trust Fund.

Purposes and Considerations in Setting up the Trust Fund and its Implementation Modalities

9. The aim of the Trust Fund, as reflected in the ICC-3 meeting document, is to develop an innovative instrument that will attract and consolidate contributions from multiple financial partners and to allocate such resources to multiple implementing entities in order to support regional and national SAP activities and so help a collective answer to the Yellow Sea environmental problems. It will promote development and aid effectiveness by reinforcing country capacity and ownership and promoting harmonization and alignment of donor aid modalities.

10. The Trust Fund shall help to achieve this objective through the pooling of resources and of the capacity to analyse, identify and implement the activities which will achieve the goals defined by the SAP under each component. To avoid duplicating structures on the ground while making the best use of donors' expertise, the Trust Fund shall make use of delegated cooperation¹ with national or regional agencies such as the Joint Committee on Environmental Co-operation, the Joint Fisheries Commission, China-Korea Joint Ocean Research Centre, UNEP, UNDP.... These agencies will make a direct contribution to the identification of actions that will be presented to all contributors of the Trust Fund as part of a diversified portfolio for operations. The expertise and implementation capacity of other donors may also be mobilised in pursuit of this objective.
11. The Trust Fund activities shall meet the following criteria:
- (a) Strategic relevance: Activities financed from the Trust Fund shall be aligned with the YSLME Strategic Action Plan;
 - (b) Risk Management and Controls: The risks arising from the Trust Fund, including those arising from any conflicts of interest or any restrictions on its use, shall be explicitly considered and judged to be acceptable and manageable by the YSLME Commission;
 - (c) Governance: The Commission shall have decision-making authority in the adequate use of the funds to fulfil its roles in administering the YSLME Trust Fund.
 - (d) Operational Efficiency and Sustainability: YSLME Trust Fund shall have a sufficient size to ensure efficient administration, and shall be preferably programmatic in design.
12. The Trust Fund is open to all partners (**Partners**) that wish to provide financial support to activities of the YSLME SAP. The Trust Fund is established for a limited period of 60 months in order to provide a midterm response on the environmental problems of the Yellow Sea.
- The actions for implementing the SAP shall be primarily for the following purposes:
- (a) operation costs of the YSLME commission in the absence of GEF support, including rental of office, management fees for premises, travel costs of Secretariat staff, telecommunication, postage, meeting costs of Council, RWGs, etc.;
 - (b) salary of the Administrative Agent and the Accounting Officer;
 - (c) costs for regional collaborative research and studies where opportunities of successful access to funding through domestic avenues are impossible, unlikely or burdensome in any partner countries bordering the Yellow Sea;
 - (d) existing cooperation initiatives such as the Yellow Sea Grant Program, MOU between the participating countries in specific areas such as the satellite study of spotted seals, or

¹ The definition of Delegated Cooperation may cover a range of implementation modalities. It applies when one partner acts with authority on behalf of the YSLME Trust Fund. The level and form of delegation shall vary, ranging from responsibility for one element of the project cycle for a specific project (e.g. a particular review) to a complete sector programme or even a country programme.”

other initiative to be supported as approved by the YSLME Operational Committee as stated in the Article 6.

13. The rules for the establishment, governance and administration of the Trust Fund need to be laid down in accordance with the principles of economy, efficiency and effectiveness.
14. Detailed financial rules and regulations, scale of salary of Interim YSLME Secretariat including the Administrative Agent and the Accounting Officer, rules of procedure of Trust Fund Board, Operational Committee and the Audit Committee shall be developed.
15. Therefore, the following draft agreement is proposed between the participant donors and the Interim YSLME Commission for consideration and approval.

Part 1 General provisions

Article 1 Establishment of the Trust Fund

- 1.1. A YSLME Trust Fund is established by decision of the ICC of xx, in agreement with PR China, RO Korea and UNDP, founding members and signatories to this constitutive agreement. It shall support the implementation of the 2009 Strategic Action Program signed between PR China and RO Korea and shall achieve the targets of the updated SAP up to 2030.

The Trust Fund, as reflected in the ICC-3 meeting document, is an innovative instrument that shall attract and consolidate contributions from multiple financial partners and allocate such resources to multiple implementing entities in order to support regional and national SAP activities and to provide a collective answer to the Yellow Sea environmental problems. It shall promote development and aid effectiveness by reinforcing country capacity and ownership and promoting harmonization and alignment of donor aid modalities. The Fund shall, from the outset, be open to the participation of other Member States and other donors, as defined below.

- 1.2. In accordance with the terms of this Constitutive Agreement, the Trust Fund shall be managed, on behalf of the donors, by the YSLME Commission Secretariat (the **'Administrative Agent'**) or any equivalent governing body pending the final establishment of the YSLME Commission. The Trust Fund shall not have legal personality.

Article 2 Objectives of the Trust Fund

The main objectives and purpose of the Trust Fund shall be to provide consistent and sustainable resources for a smooth, global and efficient answer to the environmental problems encountered by the Yellow Sea Ecosystem and as described in the updated Strategic Action Plan. The activities proposed to achieve these objectives towards 2030 are set out in Annex I to the Constitutive Agreement.

Article 3 Resources of the Trust Fund

3.1 General Provisions

The Trust Fund's financial resources shall consist of:

- (a) contributions from governments, international organizations, corporations and other entities as well as from the founding donors, pursuant to Articles 3.2, 3.3 and 3.5 respectively;
- (b) income generated by the activities of the Trust Fund, including remuneration from investments made with funds on the Trust Fund's bank account (as defined in Article 8.2.1);
- (c) any unused funds returned to the Trust Fund upon completion of an action financed by it
('action');
- (d) funds recovered by the Administrative Agent from any Fund beneficiaries; and
- (e) donations made by individuals or private entities (without a public service mission).

For the purposes of this Constitutive Agreement, the donations referred to in point (e) do not constitute contributions (as defined in point 3.2) and the donating individuals or entities are not regarded as donors.

3.2 Contributions from donors

3.2.1. The donors shall contribute funds (a donor **'contribution'**) to the Trust Fund in accordance with the following provisions.

3.2.2. Any contribution, either in cash or in-kind², by a donor shall be made after signing a **'contribution certificate'** drawn up on the basis of the model in Annex III and sent to the Administrative Agent by the donors(s).

² In-kind contributions may include goods or services. Goods in kind are tangible assets transferred to the Trust Fund in a non-exchange transaction, without charge. It may include commodities, equipment.... Services in-kind are services provided by individuals to the Trust Fund in a non-exchange transaction such as deployment of experts, policy advice, seconded staff. In-kind contributions shall be considered as an asset, e.g. resource that the Trust Fund controls and from which future economic

Each contribution certificate shall contain the following information:

- (a) the amount of the contribution in US Dollars. When it is denominated in a currency other than in UD Dollars, the amount will be converted into US Dollars on receipt of the contribution in the Trust Fund's bank account, in accordance with Article 8.3.1;
- (b) the date or dates on which the donor will make the contribution available to the Trust Fund (the '**contribution payment date**'), in accordance with the rules set out in Article 3.3;
- (c) for donors contributing not less than the threshold set in Articles 5.4.1 and 6.1.1 (f) (i), the name of the donor and of its duly mandated representative (or alternate), who, on the one part, will be entitled to vote on the Trust Fund Board and, on the other, will represent the group of such donors and will have voting rights on the Operational Committee, as provided for in Article 6.4.1 ('**pool of donors**').

3.2.3. By sending a signed contribution certificate to the Administrative Agent:

- (a) the donor enters into an irrevocable commitment to make available the contribution described therein on the agreed contribution payment dates; and
- (b) the donor undertakes to comply with the Constitutive Agreement.

3.2.4. Contributions from governments shall not be earmarked. Voluntary contributions from other sources may be earmarked by the donor for up to one third of the contribution for a Trust Fund activity or project, so long as the allocation, as requested by the donor,

- (a) contributes to the SAP, and
- (b) would not result in discrimination on grounds of race, colour, sex, language, religion, political or other opinion, national, ethnic or other origin, property, birth or other status, provided that contributions aimed at assisting those enjoying specific protection under international law should not be considered to be discriminatory.

In the event that a voluntary contribution is earmarked and the related purpose cannot be achieved, the Board shall allocate the contribution to its core budget which records regular resources, subject to the agreement of the donor.

3.2.5. A donor may at any time decide to make a new contribution to the Trust Fund. It should then produce a new contribution certificate, as provided for in Article 3.2.2.

3.2.6. Without prejudice to Article 3.6, the Administrative Agent must decide whether a new or additional contribution may be accepted in the year preceding the closure of the Trust Fund, as provided for in Article 17.2.

benefits or service potential are expected to flow to the Trust Fund. In-kind contributions shall be reasonably estimated and reported in the financial statements.

3.2.7. If the donor's contribution is made in-kind, the contribution will be evaluated from the donor's proposal based on benchmarking and duly approved by the Administrative Agent. A contribution certificate, as provided for in Article 3.2.2, should be established and accounted for.

3.3 Payment of contributions by donors

The donors shall pay their contribution(s) into the Trust Fund account referred to in Article 8.2.1 within six months of the date of signing of the contribution certificate, if it is signed in 2019, and within two months if the signing takes place after 1 January 2020.

3.4 The Administrative Agent's acknowledgment of the receipt of contributions

On receipt of the signed contribution certificate, the Administrative Agent shall issue the donor with an acknowledgement of receipt setting out:

- (a) the details of the contribution, i.e. the amount and the currency;
- (b) a table showing the aggregate amount of the agreed contributions plus the contributions effectively received from each donor;
- (c) the voting rights thus acquired on the Operational Committee pursuant to Article 6.4.1.

In issuing such acknowledgement the Administrative Agent undertakes to use the funds in accordance with the provisions of the Constitutive Agreement.

3.5 Contributions of the founding donors

The founding donors shall contribute to the Trust Fund in accordance with its financial rules and regulations . Articles 3.2, 3.3 and 3.4 apply to the founding donors' contribution.

3.6 New donors

In addition to the founding members, the Trust Fund is open to contributions from partners as specified in Article 3.1 (a) and bodies designated by them for that purpose, and, subject to Articles 5.2(d) to other contributors. By contributing to the Trust Fund and signing a contribution certificate, the new donors shall accede to the Constitutive Agreement, which they undertake to uphold.

3.7 Contribution certificates

All signed contribution certificates shall be placed in Annex II.

3.8 Location of the Trust Fund

The Trust Fund shall be established in the location where the Commission Secretariat is headquartered for administrative purposes. The Trust Fund Board may decide on its transfer to any place.

Part II Governance provisions

Article 4 Governance bodies of the Trust Fund

The following governing bodies are established by this Constitutive Agreement:

- (a) A Trust Fund Board which shall establish and review the overall strategy of the Trust Fund;
- (b) An Operational Committee responsible in particular for allocating the Fund's financial resources to individual actions.

- (c) The Administrative Agent which shall act as the secretariat of the Trust Fund Board and of the Operational Committee. It shall be responsible for implementation of the actions financed by the Trust Fund.

Article 5 Trust Fund Board

5.1 Composition of the Trust Fund Board

- 5.1.1. The Trust Fund Board shall be composed of representatives of the donors, of the Commission Secretariat, of the beneficiary countries and, as observers, of representatives of Partners that are not members of the Operational Committee (as defined in Article 6.1.1) (**'observers'**).
- 5.1.2. The meetings of the Trust Fund Board shall be chaired by a representative of the founding donors (**'Chairperson'**) assisted by another founding donor of the Trust Fund (**'Deputy Chairperson'**). The Administrative Agent shall be present at meetings of the Trust Fund Board and shall act as its secretariat.
- 5.1.3. The Chairperson may decide to invite other observers to the meetings of the Trust Fund Board, where necessary, in particular where these observers are concerned by the decisions to be adopted.
- 5.1.4. Each donor shall appoint a duly authorised representative, the **'full representative'**. If the full representative is unable to attend, an alternate may be appointed to take part in the meetings. Any representative may represent more than one donor on the Trust Fund Board, provided that the donors concerned jointly notify the Administrative Agent and send a copy of the instrument of authorisation drawn up before the meeting. The representatives may be accompanied by one or more advisory staff.
- 5.1.5. No representative (or advisory staff) shall receive any form of remuneration from the Trust Fund. They shall bear all costs arising from their function, including all costs incurred for travelling to and attending Trust Fund Board meetings.

5.2. Role and responsibilities of the Trust Fund Board

The Trust Fund Board shall:

- (a) subject to Article 2, establish and review the overall strategy of the Trust Fund as stated in Annex 1 to this Agreement;
- (b) issue strategic guidelines addressed to the Operational Committee and the Administrative Agent of the Trust Fund;

- (c) take receipt of the annual report and the annual accounts for the Trust Fund drawn up by the Administrative Agent and adopted by the Operational Committee; and
- (d) decide whether donors may contribute to the Trust Fund and lay down the conditions under which such contributions may be accepted.

5.3. Meetings of the Trust Fund Board

- 5.3.1. The Trust Fund Board shall meet as often as necessary and at least once a year. Meetings of the Trust Fund Board may be called by the Chairperson at any time or at the request of at least one third of the donors.
- 5.3.2. Meetings of the Board shall usually be held at the premises of the Commission Secretariat. The Chairperson and Deputy Chairpersons may, however, propose to the members of the Board that they meet in another location. The Trust Fund Board may hold meetings by videoconference, conference call or any other remote communication system.
- 5.3.3. If necessary, and in accordance with the Constitutive Agreement, the Trust Fund Board shall adopt rules of procedure. In the event of a conflict between the Constitutive Agreement and the rules of procedure, the Constitutive Agreement shall prevail.

5.4 Voting rights, quorum, voting rules and written procedures

The Board shall operate on the basis of consensus. However, where a vote is required, the following rules will apply:

- 5.4.1. Each donor or pool of donors having submitted a signed contribution certificate for an amount of not less than US Dollars 3 million shall have one vote on the Trust Fund Board. The Chairperson shall have one vote and a right of veto over decisions taken by the Board in order to ensure that decisions are consistent with the Strategic Action Plan and satisfy the requirements of the Financial Regulation and the Commission Secretariat's responsibilities as Administrative Agent of the Fund.
- 5.4.2. The Board shall be quorate if both the following conditions are satisfied:
 - (a) the donors present account for at least one third of the donors; and
 - (b) the Chairperson and at least one Deputy Chairperson are present.

At the start of each meeting of the Board, the Chairperson shall establish whether the quorum is reached.

- 5.4.3. In the event of a vote, each decision of the Trust Fund Board shall be taken by a simple majority. In the case of a duel in vote, the Chairperson's vote shall be decisive.

Article 6 Operational Committee

6.1 Composition of the Operational Committee

6.1.1. The Operational Committee is composed of:

- (a) The National Coordinator of the host country who shall chair the meetings of the Operational Committee (the '**Chairperson**'), assisted by a National Coordinator of the participating countries if necessary ('**Deputy Chairperson**');;
- (b) Representatives of the Management, Science and Technical Panel (**MSTP**);
- (c) A representative each of the Inter-Ministry Coordinating Committee (**IMCC**);
- (d) A representative of any beneficiary country that is not represented in the Committee;
- (e) representatives of partners who support the implementation of YSLME SAP through other funding modalities, such as UNDP, UNPOS and potential donors;
- (f) representatives of each donor or pool of donors which:
 - i. has provided a signed contribution certificate for an amount of at least USD 3 million;
 - ii. adheres to all undertakings contained in the Constitutive Agreement applicable to them, in particular those concerning payment of the contribution.

The Administrative Agent shall take part in the meetings of the Operational Committee and shall act as its secretariat.

6.1.2. Each Member shall appoint a duly authorised representative, the '**full representative**'. If the full representative is unable to attend, an alternate may be appointed to take part in meetings. Any representative may represent more than one donor on the Operational Committee, provided that the donors concerned jointly notify the Administrative Agent and send a copy of the instrument of authorisation drawn up before the meeting. The representatives may be accompanied by one or more advisory staff.

6.1.3. Representatives shall not receive any form of remuneration from the Trust Fund. They shall bear all costs arising from their function, including all costs incurred for travelling to and attending Operational Committee meetings.

6.2 Role and responsibilities of the Operational Committee

The Operational Committee shall:

- (a) Provide general oversight and exercise overall accountability of the Trust Fund;
- (b) Approve the strategic direction of the Trust Fund and its overall results framework;
- (c) Approve the risk management strategy and review risk monitoring regularly;
- (d) Review and approve proposals submitted for funding, after being cleared by the regional working groups, ensuring their conformity with the requirements of the SAP;
- (e) Decide the allocation of funds;
- (f) Request fund transfers to the Administrative Agent;
- (g) Review Trust Fund status and oversee the overall progress against the results framework through monitoring, reporting and evaluations;

- (h) Review and approve the periodic progress reports consolidated by the Administrative Agent and the Secretariat based on the reports submitted by the implementing entities;
- (i) Commission mid-term and final evaluations on the overall performance of the Trust Fund;
- (j) Approve direct costs related to fund operations supported by the Technical Secretariat;
- (k) Approve Fund extensions and updates to the Trust Fund Terms of Reference as required.
- (g) adopt the Fund's operating rules;
- (h) examine and approve actions financed by the Fund, which may be grouped in the form of work programme;
- (i) supervise implementation of the actions financed by the Trust Fund, taking into account the strategic guidelines issued by the Board;
- (j) assess the effectiveness of the internal control systems and follow up any observations by internal or external auditors;
- (k) approve the annual report on the activities financed and the annual accounts for transmission to the Trust Fund Board in accordance with Articles 7.2(g) and 8.3.4;
- (l) ensure appropriate visibility for activities financed by the Trust Fund;
- (m) approve proposed amendments to the Constitutive Agreement, in accordance with Article 19; and
- (n) decide on the winding-up of the Trust Fund, in accordance with Article 17.2.

6.2 Meetings of the Operational Committee

- 6.3.1. The Operational Committee shall meet several times yearly and as often as necessary. Meetings of the Operational Committee may be convened by the Chairperson at any time or at the request of at least two members accounting for not less than one third of the members' voting rights at the date of the request.
- 6.3.2. Wherever the Fund is established, the Chairperson may, however, propose to the members of the Committee that they meet in another location.
- 6.3.3. The Operational Committee may hold meetings by videoconference, conference call or any other remote communication system.
- 6.3.4. If necessary, and in accordance with the Constitutive Agreement, the Operational Committee shall adopt rules of procedure. In the event of a conflict between the Constitutive Agreement and the rules of procedure, the Constitutive Agreement shall prevail.

6.4 Voting rights, quorum, voting rules and written procedures

The Operational Committee shall operate on the basis of consensus. However, where a vote is required, the following rules shall apply:

- 6.4.1. Each contribution of not less than the amount specified in Article 6.1.1 (f)(i) shall entitle the relevant member to a number of votes on the Operational Committee established as follows:

- (a) For a contribution of up to USD 15 000 000, one vote is accorded for each tranche of USD 1 000 000,
- (b) For a contribution of over USD 15 000 000, 15 votes are accorded, plus one vote for each additional tranche of USD 5 000 000 up to the amount of USD 50 000 000,
- (c) For a contribution of over USD 50 000 000, 21 votes are accorded, plus one vote for each additional tranche of USD 10 000 000.

The voting rights are granted on the basis of the amount specified in the contribution certificate, once at least one tranche has been paid. These voting rights shall take effect from the date of the first Operational Committee meeting following receipt of the first payment by the Administrative Agent. They are acquired for the life of the Trust Fund.

- 6.4.2. The Operational Committee shall be quorate if the following conditions are satisfied:
- (a) the members present account for at least one third of the members;
 - (b) the members present represent at least one third of the total voting rights at the time of the meeting; and
 - (c) the Chairperson and at least one Deputy Chairperson are present.

At the start of each meeting of the Operational Committee, the Chairperson shall establish whether the quorum is reached.

- 6.4.3. Without prejudice to Article 19, in the event of a vote, each decision of the Operational Committee shall be taken by a simple majority.

- 6.4.4. Exceptionally, the Operational Committee may be consulted and take decisions by written procedure with tacit consent on any urgent issue raised at the Chairperson's initiative. Such decisions shall be deemed approved unless at least one third of the members accounting for not less than one third of voting rights reject the proposal within five (5) calendar days following receipt of the written request for a decision accompanied by the relevant supporting documents. Rejection of a proposal must be notified in writing to the Chairperson of the Operational Committee. The Chairperson shall inform the members of the outcome of the written procedures in writing. All comments by members concerning the written procedures shall be copied to all other members. The Administrative Agent shall be responsible for ensuring this provision is adhered to.

6.5 Approval of actions

- 6.5.1. Actions to be financed by the Trust Fund must receive the prior approval of the Operational Committee. However, the Operational Committee may set an amount below which actions that fulfil the objectives of the Trust Fund as set out in Article 2 and the eligibility criteria in Article 9.1 may, within the limits of the uncommitted resources available to the Trust Fund, be approved by the Administrative Agent alone. The Administrative Agent must inform the Operational Committee immediately.

- 6.5.2. Each donor may propose actions to the Administrative Agent for submission to the Operational Committee, provided that they fall within the remit of the Fund and comply with guidelines laid down by the Board.
- 6.5.3. The Administrative Agent may also, with the agreement of the Operational Committee on the allocation to be mobilised and in accordance with the rules applicable to the implementation of actions, call on expertise in the field to be paid for by the Fund, once it is set up, in order to identify actions in liaison with the local authorities, international and non-governmental organisations and other donors, and so build a diversified portfolio. This portfolio shall be built up taking into account the actions already implemented by the partners and other donors. In particular, the Administrative Agent may call on any qualified person from civil society who may assist in the selection process.
- 6.5.4. The Administrative Agent shall submit one or more proposed actions to the Operational Committee for approval. Each proposed action shall be described in a short document (**'Concept Note'**) containing key information, such as the proponent, geographical location of interventions, beneficiaries, expected results, partners, aid procedures, schedule, estimated budget, etc. The Administrative Agent shall present these Concept Notes at meetings of the Operational Committee.

For actions where the implementation of tasks is delegated to a third party (the **'implementing partner'**), the Concept Note shall indicate the name of the implementing partner or, if not yet identified, the type of organisation envisaged and the criteria to be used to select them.

- 6.5.5. Once an individual action has been approved by the Operational Committee, it must be implemented in conformity with the Concept Note. If, during the implementation phase, a substantial change in the nature of the action is required after its approval by the Operational Committee, the Administrative Agent shall present the Concept Note amended to reflect these changes to the Operational Committee for approval prior to their implementation.

Cumulated changes in the funds allocated to a work programme or individual action adopted independently of the work programme not exceeding 20 % of the maximum allocation of the work programme or individual action shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the action. These changes may include an increase in the maximum allocation to the work programme or individual action of up to 20 %.

Where an action needs to be changed in exceptional cases of extreme urgency the Administrative Agent may amend the Concept Note and immediately notify the Operational Committee, which shall then have ten working days following the notification to reject the amendment.

Article 7 Management of the Trust Fund

7.1 General Provision

The YSLME Commission Secretariat shall be the Administrative Agent of the Trust Fund. The accounting officer of the Secretariat shall be the accounting officer of the Trust Fund (the **'Accounting Officer'**). The Administrative Agent will be accountable for effective and impartial fiduciary management and financial reporting on behalf of donors.

7.2 Role of the Administrative Agent and of the Accounting Officer

The Secretariat in its role as Administrative Agent and Accounting Officer of the Trust Fund shall be responsible for the following tasks:

- (a) receive contributions from donors that wish to provide financial support to the Fund;
- (b) subject to availability of funds, disburse such funds in accordance with decisions from the Trust Fund Board and the Operational Committee, taking into account the budget set out in the approved programmatic document;
- (c) act as secretariat for the Trust Fund Board and the Operational Committee, including documentation and logistics;
- (d) carry out the Trust Fund's financial management in accordance with Article 8 and provide all the information needed for the establishment of the financial statements;
- (e) implement actions, directly or indirectly, by delegating implementation tasks to implementing partners, in accordance with Article 10;
- (f) prepare by January 31st of each year the Trust Fund's provisional accounts, which shall include;
 - i. the annual financial statements, drawn up in accordance with Article 8.3.4(b);
 - ii. the annual financial report on the activities financed by the Trust Fund, drawn up in accordance with Article 8.3.4(a);
- (g) draw up an annual report on the activities financed by the Trust Fund, their implementation and performance, including the results of controls, and on the efficiency and effectiveness of the internal control system. The report shall be submitted to the Operational Committee for approval by January 31st;
- (h) prepare and submit the final audited annual accounts to the Operational Committee for approval by May 15th and then submitting them to the Trust Fund Board June 15th and thereafter presented to the YSLME Commission Council;
- (i) prepare six-monthly and annual financial reports in accordance with Article 8.3.4(a);
- (j) deliver to each donor copies of the annual report, annual accounts and, as soon as they are available, the financial reports on the activities financed by the Trust Fund;
- (k) draw up annual or six-monthly disbursement forecasts for the Trust Fund;
- (l) make available to donors, in response to reasonable requests, all relevant financial information. Should a donor request a substantial amount of financial information, the

Administrative Agent shall be authorised to ask the requesting donor for a contribution to the costs, calculated on an agreed basis

(m)) decide on the financing of actions below the threshold established in accordance with Article 6.5.1.

7.3 Management costs

The Secretariat shall be authorised to deduct a sum of up to 9.5 % of the amounts contributed to the Trust Fund to cover its management costs.

Part III- Financial and implementation provisions

Article 8 Financial management of the Trust Fund

8.1 Financial management of the Trust Fund

8.1.1. The Accounting Officer shall keep accurate and regular financial records of the Trust Fund and the actions it finances in accordance with the relevant provisions of this Article.

8.1.2. The Administrative Agent shall carry out any other tasks which are specifically assigned to it in the Constitutive Agreement or reasonably deemed necessary for the efficient and effective financial management of the Trust Fund.

The Administrative Agent shall fulfil this role by:

- (a) putting in place effective and efficient internal control systems throughout the life of the Trust Fund;
- (b) making available the resources required to administer the Trust Fund;
- (c) keeping donors informed as part of its management duties;
- (d) ensuring sound financial management, including recoveries where necessary;
- (e) drawing up the annual report on the activities funded by the Trust Fund for approval by the Operational Committee and then the Trust Fund Board.

8.1.3. The Administrative Agent will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to the Administrative Arrangement (hereinafter referred to as the "**Fund Account**"). The Fund Account will be administered by the Administrative Agent in accordance with the regulations, rules, policies and procedures applicable to it, including those relating to interests.

8.1.4. The Administrative Agent shall not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to SAP Actions.

8.1.5. Subject to the availability of funds, the Administrative Agent shall make disbursements from the Fund Account in accordance with decisions from the Operational Committee in line with the budget set forth in the approved programmatic document. The disbursements shall consist of direct and indirect costs as set out in the budget.

The Administrative Agent shall normally make each disbursement within five (5) business days after receipt of the relevant approved programmatic document, in accordance with the decisions received from the Operational Committee.

Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent shall consult with the Operational Committee and make a disbursement, if any, in accordance with the Trust Fund Board's decisions.

8.2 Treasury management

8.2.1. The Accounting Officer shall be responsible for treasury management and for management of the Trust Fund's bank account. The Accounting Officer shall open bank accounts in the name of the Trust Fund (**'Trust Fund account'**) in Korean Won, Chinese Renminbi and in US Dollars in order to avoid unnecessary exchange costs. The income from investment of the Trust Fund's liquid assets shall be apportioned twice a year and shall constitute the sole remuneration for any funds on the Trust Fund account. This remuneration shall take into account the liquidity and transformation risks borne by the Secretariat in its investment activity so that it can meet at any time the liquidity requirements for managing the Trust Fund account.

8.2.2. All income accruing from the funds deposited on the Trust Fund account shall be an integral part of the Trust Fund.

8.3 Management of the bank accounts, drafting and approval of the financial statements of the Trust Fund

8.3.1. The Accounting Officer shall maintain separate accounts for the Trust Fund in which it will record the receipt of contributions, disbursements for approved actions, all remuneration received, payments of the Administrative Agent's management costs, and any other operation affecting the Trust Fund's resources. The Accounting Officer shall manage the Trust Fund account in US Dollars, in accordance with the International Public Sector Accounting Standards (IPSAS). The Accounting Officer shall carry out currency conversion operations following the usual procedures. Contributions shall be taken into account when recorded in the Trust Fund account for the amount in US Dollars resulting from the conversion at the time of their depositing on the Trust Fund account.

8.3.2. The financial year of the Trust Fund shall be the calendar year. The first financial year shall be the year ending on 31 December following the date on which the Trust Fund commences its activities, in accordance with Article 17.1.3.

8.3.3. The accounting system shall be designed to organise the budgetary and financial information in such a way that figures can be entered, classified and recorded and that accounting information is accurate, complete and reliable and can be supplied in a timely manner. The accounting system shall consist of general accounts and budgetary accounts.

8.3.4. The financial information shall be prepared as follows:

- (a) The Administrative Agent shall draw up by July 31st of each financial year a half yearly financial report on the Trust Fund's operations, and, by January 31st, an annual financial report.
- (b) The Accounting Officer shall draw up by January 31st the provisional annual financial statements.
- (c) Following preparation and auditing in accordance with Article 11, the Administrative Agent and the Accounting Officer shall submit the final annual accounts to the Operational Committee for its approval. These accounts must be approved by May 15th and submitted to the Trust Fund Board for adoption by June 15th.
- (d) All accounting records and financial statements shall be kept in US Dollars. Consolidated financial statements shall be presented in US Dollars.
- (e) The financial statements shall be drawn up in accordance with the International Public Sector Accounting Standards (IPSAS).

8.4 Donors' contributions management

8.4.1. The Administrative Agent will enter into an administrative arrangement, with each donor that wishes to provide financial support to the Fund and will prepare a Contribution Certificate as stated in Annex III. The Administrative Agent will ensure the posting of a copy of the Contribution Certificate, as well as information on donor contributions, on the YSLME Commission's website.

8.4.2. Agreement with Participating Multilateral Organizations, such as United Nations, may be done through a Memorandum of Understanding or Memorandum of Agreement.

Article 9 Eligibility of actions and nationality and origin rules

9.1 Eligible actions

To be financed by the Trust Fund an action must comply with the following criteria:

9.1.1. The action to be supported by the Trust Fund must fall within the geographic scope of the YSLME Project and all the neighbouring countries likely to be directly affected by the environmental problems there.

9.1.2. The action must further the main objectives and purpose of the Trust Fund, as set out in Article 2 and Annex I of the Constitutive Agreement.

9.1.3. The implementing partners shall be eligible to receiving the fund.

9.2 Nationality and origin rules

Participation in the award of contracts or grants and in the recruitment of consultants is open without restriction. However, eligibility as provided for in the preceding paragraph may be restricted in terms of nationality, geographical location or the nature of grant applicants where such restrictions are required on account of the specific nature and objectives of the action and are necessary for its effective implementation.

Article 10 Implementation of actions financed by the Trust Fund

Once approved by the Operational Committee, an action shall be implemented in accordance with the implementing procedures provided for in the applicable Secretariat rules and regulations. These actions can then be implemented either directly by the Secretariat or delegated to the national agencies of Partner Countries or entities approved by the Trust Fund Board.

Part IV Final provisions

Article 11 Protection of financial interests, audit and control

11.1 Protection of the financial interests of the Trust Fund

The Administrative Agent shall take appropriate measures to ensure that, when actions financed by the Trust Fund are implemented, the financial interests of the donors are protected by the application of preventive measures against irregularities, fraud, corruption and any other illegal activities, by effective controls and, if irregularities, fraud, corruption or any other illegal activities are detected, by the recovery of the amounts wrongly paid. The contracts and agreements signed with third parties shall authorise the founding donors to carry out controls on the spot, to suspend payments and implementation of actions where serious irregularities, fraud or corruption occur during implementation, and to apply, where appropriate, effective, proportionate and deterrent contractual penalties.

11.2 Audit

The Trust Fund, including the actions financed by it, shall undergo an independent external audit every year. The cost of these external audits shall be borne by the Trust Fund.

11.3 Control

11.3.1. The YSLME Commission Secretariat shall set up and ensure the functioning of an effective and efficient internal control system to ensure that internal control objectives are complied.

11.3.2. The Administrative Agent shall, until at least five years after the termination of the Trust Fund:

- (a) keep accounting documents concerning the activities financed by the Trust Fund, and;

- (b) make available to donors, in response to reasonable requests, all relevant financial information. Should a donor request a substantial amount of financial information, the Administrative Agent shall be authorised to ask the requesting donor for a contribution to the costs, calculated on an agreed basis.

Article 12 Visibility

12.1. The Secretariat shall ensure that all entities and implementing partners in receipt of funds from the Trust Fund take all appropriate steps to publicise the fact that an action has received funding from the Trust Fund.

12.2 Donors shall agree to the Administrative Agent's publishing in any form and on any platform, including its website, their name and address, the purpose of the contribution and the amount contributed.

The Administrative Agent may use funds from the Trust Fund to ensure the visibility of the Trust Fund-financed actions.

Article 13 Evaluation and monitoring

The Trust Fund and the actions financed by it will be subject to the monitoring and evaluation with a view to ensuring adherence to the principles of economy, efficiency and effectiveness as well as impact and replication. Each action proposal must lay down objectives with relevant indicators to evaluate results.

Article 14 Access to documents and confidentiality

Subject to any applicable mandatory rules, the donors and the Administrative Agent shall undertake to preserve the confidentiality of any document, information or other material submitted by them or by any third party with a request to treat it as confidential for at least five years after the date of termination of the Trust Fund pursuant to Article 17.

Article 15 Conflicts of interest

The donors and the Administrative Agent undertake to take all necessary precautions to avoid conflicts of interest. There is a conflict of interest where the impartial and objective exercise of the functions of any person under the Constitutive Agreement is compromised for reasons involving family, emotional life, political or national affinities, economic interest or any other shared interest with another party.

Article 16 Ownership and use of results

16.1 Without prejudice to the relevant provisions of the contracts and agreements signed by the Administrative Agent, or by implementing partners where management is indirect, for the implementation of Trust Fund-financed actions, the ownership, title and industrial and intellectual property rights to the results of the Trust Fund or actions financed by it, and to the reports and other documents relating to it, shall be vested in the Administrative Agent of the Trust Fund which may use it for publication or replication.

16.2 Notwithstanding the provisions of Article 16.1, and subject to Article 14, the Operational Committee may accord donors the right to use without charge and as they see fit all documents

and other results arising from the Trust Fund and the actions financed by it, whatever their form, provided they do not thereby (i) breach existing industrial and intellectual property rights, or (ii) harm the interests of the Trust Fund or its donors.

Article 17 Entry into force and duration of the Trust Fund

1.7 Entry into force and commencement of activities

17.1.1 This Agreement shall enter into force for its signatories on the date of its signing by the representative of the YSLME Commission and at least one donor.

17.1.2 The Trust Fund shall commence operations when contribution certificates accounting for contributions totalling at least US Dollars 10,000,000 have been sent to the Administrative Agent in accordance with Article 3.2.

17.1.3 The Administrative Agent shall inform all donors of the commencement of the Trust Fund's activities.

17.2 Winding-up of the Trust Fund

17.2.1 The Trust Fund shall continue operating until the first of the following situations occurs (each a **'termination event'**):

- (a) there are no funds available on the Trust Fund account or committed funds;
- (b) the Trust Fund Board, upon recommendation of the Operational Committee, decides that the Trust Fund should be wound up;
- (c) the time limit set for the duration of the Trust Fund is reached. The duration of the trust Fund may be extended by a decision of the YSLME Commission Council adopted at the request of the Operational Committee and after approval of the Trust Board Fund.

17.2.2 The Operational Committee and the Trust Fund Board shall be notified of any such termination event.

17.3 Destination of resources when the Trust Fund is wound up

If any of the situations provided for in Article 17.2 occur, the following provisions shall apply with respect to the resources of the Trust Fund:

- (a) the Administrative Agent may not undertake any new activities other than those necessary for the orderly realisation, conservation and preservation of the Trust Fund's resources and the fulfilment of the contractual obligations in respect of the Trust Fund;
- (b) the Administrative Agent shall establish appropriate financial statements, which shall be subject to the audit procedure referred to in Article 11. These audited financial statements shall then be submitted to the Operational Committee for approval;
- (c) the Administrative Agent shall submit the Operational Committee's proposal concerning the winding-up of the Trust Fund to the Trust Fund Board for a decision;
- (d) the Operational Committee shall discuss possible uses of the funds available and not yet committed at the time of the winding-up. Any remaining funds shall be returned, on a pro-rata basis, to the donors.

Article 18 Suspension and cases of force majeure

18.1 The Administrative Agent may temporarily suspend implementation of all or part of an action

if circumstances so require, in particular in cases of force majeure. The Administrative Agent shall inform the Operational Committee without delay and provide all necessary details.

The Administrative Agent shall endeavour to minimise the duration of the suspension and may resume implementation of the suspended action once the conditions allow, and shall inform the Operational Committee accordingly.

18.2 The implementation period of a suspended action shall be automatically extended by an amount of time equivalent to the length of the suspension. This is without prejudice to any changes to the suspended action which may be necessary to adapt it to the new implementing conditions.

18.3 None of the parties shall be held liable for failure to fulfil its obligations under the Constitutive Agreement if it is prevented from fulfilling them by force majeure. Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents one of them from fulfilling any of their obligations under the Constitutive Agreement and which is not attributable to error or negligence on their part (or of their partners, contractors, agents or employees), and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial problems cannot be invoked as force majeure. Without prejudice to Article 18.2, the party invoking force majeure shall notify the other without delay, stating the nature, likely duration and foreseeable effect, and take any measure to minimise possible damage.

Article 19 Amendments to the Constitutive Agreement

19.1 Amendments to the Constitutive Agreement

Article 2 may be amended by a unanimous decision of the Trust Fund Board.

The other provisions of the Constitutive Agreement may be amended at any time by a two-thirds majority decision of the Trust Fund Board Operational Committee on a proposal made by the Administrative Agent or any member, provided that the Chairperson votes in favour.

The Operational Committee shall be notified of any such amendment.

19.2 Annexes II, III and IV

Annexes II, III and IV are attached to the Constitutive Agreement for information purposes and may be amended by the Operational Committee upon a proposal of the Administrative Agent. By derogation from Article 19.1, the signed contribution certificates (Annex II) may not be amended.

Article 20 Withdrawal of a donor from the Trust Fund

Any donor may decide to withdraw from the Trust Fund by giving six month's written notice to the Administrative Agent. Once withdrawal is effective, it shall cancel any rights and obligations of that donor under the Constitutive Agreement, except those provided for in Article 3. Observers shall inform the Administrative Agent of their intention to discontinue their participation.

Article 21 Applicable law and jurisdiction

21.1 The contributions and the Trust Fund shall be governed by the Constitutive Agreement.

21.2 The parties shall enter into consultations at the request of one of the parties should any dispute arise concerning the interpretation, application or fulfilment of the Constitutive Agreement, including its existence, validity or termination.

21.3 Nothing in the Constitutive Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any party hereto by its constituent documents or international law.

Article 22 Annexes

The following documents are annexed to the Constitutive Agreement and constitute an integral part thereof:

- ✓ Annex I: Strategic Action Plan
- ✓ Annex II: Signed Contribution Certificates
- ✓ Annex III: Model Donor's Contribution Certificate
- ✓ Annex IV: Model Concept Note

For the government of PR China
For the UNDP

For the RO Korea

Annex I Strategic Action Plan

Annex II: Signed Contribution Certificates



Annexe III Donors Contribution Certificate

Sender: [DONOR], hereinafter referred to as the 'donor'

For the attention of: The Secretariat of the Interim YSLME Commission, hereinafter referred to as 'The Administrative Agent' of the YSLME Trust Fund

Date: [...] 201...

Dear...,

Contribution to the YSLME Trust Fund, hereinafter referred to as 'The Trust Fund'

We refer to the Agreement establishing the YSLME Trust Fund, dated [date], hereinafter referred to as 'The Constitutive Agreement'.

Article 1 Amount of the contribution

We hereby confirm our intention to make a contribution to the Trust Fund in an amount of ... (| ... |).

[If the contribution is made in a currency other than Us Dollars, add the following: which shall be converted into US Dollars when cashed in the Trust Fund account in application of the Constitutive agreement].

[If the contribution is made in-kind such as seconded expertise, add the following: which shall be evaluated into US Dollars in application of the Constitutive agreement].

Article 2 Payment [in case of contribution in cash]

We shall make this contribution available to the Administrative Agent in immediately available funds EITHER [in one instalment to be paid no later than [date]] OR [in accordance with the following schedule]

[only when contribution is in Korean Won, Chinese Renminbi or US Dollar and subject to the conditions laid down in Article 3 of the Constitutive Agreement] [specify dates and amount to be paid on each date].

All payments in respect of the contribution shall be made in accordance with Article 3 of the Constitutive Agreement.

[Where appropriate (i.e. if in-kind contribution to the Trust Fund): In application of Article 3.2.7 of the Constitutive Agreement, the contribution will be evaluated from the donor's proposal based on benchmarking and approved by the Administrative Agent.]

Article 3 Donor's confirmation

The Constitutive Agreement shall apply to this contribution and the Administrative Agent shall

administer the contribution in accordance with the Constitutive Agreement.

By signing this contribution certificate, the donor acknowledges that it has received a copy of the Constitutive Agreement and that it will be bound in all respects by the terms thereof, and subsequent amendments thereto.

Article 4 Communications

Any notices or communications addressed to the donor in connection with the Trust Fund shall be addressed to:

[Address]

[Tel.:]

[Fax:]

[Email:]

Any notices or communications addressed to the Administrative Agent in connection with the Trust Fund shall be addressed to:

[Address]

[Tel.:]

[Fax:]

[Email:]

Article 5 Interest

On expiry of the time limit for payment laid down in Article 2, the unpaid part of the contribution shall bear interest at the US Dollar LIBOR rate as published on the first day of the month in which payment was due, increased by three and a half percentage points. The interest shall be payable for the period from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.

Article 6 Representation on the Board

[Where appropriate (i.e. on first contribution to the Trust Fund): In application of Article 5.1.4 of the Constitutive Agreement, the donor will appoint a representative and alternate representative to the Trust Fund Board. Their names will be communicated to the Administrative Agent before the next meeting of the Trust Fund Board.]

[Where appropriate (i.e. if the minimum threshold set in Article 6.1.1(f)(i) is reached): The donor shall appoint a representative and alternate representative to the Operational Committee in application of Article 6.1.2. of the Constitutive Agreement. Their name will be communicated to the Administrative Agent before the next meeting of the Operational Committee].

[Where appropriate (i.e. if the donor is or becomes a member of the Operational Committee): Once the donation is received on the Trust Fund account, the Administrative Agent will confirm the voting rights acquired in the Operational Committee to the donor.]

[Where appropriate: For the purposes of Article 6.1.1 (f) of the Constitutive Agreement, the

amount of the present contribution shall be pooled with the contribution of [name of other donor(s)] who will be represented on the Operational Committee by the representative or alternate representative of [the donor/ name of other donor] duly mandated by [the donor/ name of the other donor(s)] who countersign [s] the present contribution certificate|.

[DONOR]

By: [Name and function of the authorised representative]

Date:

[If funds are pooled: Name of donor(s)]

By: [Name and function of the authorised representative]

Date:

Annex IV Concept Note of the YSLME Trust Fund to be used for the decisions of the Operational Committee

1. IDENTIFICATION

Title/Number	
Implementing Partners	
Total Cost	Estimated total cost: Total amount from the TF
Aid method/ Implementation methods	
Budget code	

2. Grounds and background

2.1. Summary of the action and its objectives

2.2. Background

2.2.1. Nation background, where applicable

2.2.2. Sectoral Background: policies and challenges

2.3. Lessons learnt

2.4. Complementary actions

2.5. Donor coordination

3. Detailed description

3.1 Objectives

3.1.1 Overall objective

3.1.2 Specific objectives

3.2 Expected results and main activities

3.3 Risks and assumptions

Risks	Risk level	Assumptions	Mitigating measures

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3.4. Crosscutting issues

3.5 Stakeholders

4. Implementation issues

4.1. Financing agreement, where applicable

4.2. Indicative period of operational implementation

4.3. Implementation components and modules

4.4. Indicative budget

Components	Budget in US Dollars

4.5 Evaluation and audit

4.6 Communication and visibility

4.7 Information on the implementing partner (s)