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REVIEW AND PLANNING OF THE CORE AND PROJECT-BASED FUND

(Item 8 of the provisional agenda)

Note by the Secretariat

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I. THE STATUS OF THE CORE FUND

1. The beginning fund balance of NEASPEC Core Fund in January 2015 was US\$ 522,604. In 2014, China and the Republic of Korea made contributions of US\$ 50,000 and US\$ 58,000 to the Core Fund, respectively. In 2015, contributions from China, and the Republic of Korea were US\$50,000 and US\$121,487, respectively. Table 1 details the status of NEASPEC Core Fund as of end of 30 November 2015. In addition, the Government of the Russian Federation contributed US\$170,000 to the project fund in 2014, which is separately reported in the section II of this document.

Table 1. Status of NEASPEC Core Fund

As of 30 November 2015

(In US Dollars)

	Jan-Nov 2015	Jan-Dec 2014
Beginning Fund Balance	522,604	582,763
<u>Income</u>		
Contributions	171,487	108,000
Interest Income	164	2,873
	694,255	693,636
<u>Less:</u> Expenditures	236,336	171,031
Ending Fund Balance	457,919	522,605

2. The detailed financial statement for the period from July 2013 to July 2014 was submitted to SOM-19. The major expenditures excluding sundries and programme supporting costs during August 2014 – November 2015 are as follows:

- Programme planning and management: (1) US\$ 97,010 for project development and Secretariat management (including salary for a secretariat assistant, fees for consultants and expenses for official missions of staff), (2) US\$18,423 for the organization of the SOM-19, and (3) US\$6,883 for the organization of the meeting of NEASPEC Focal Points on 16 October 2015 in Incheon, Republic of Korea
- Nature Conservation: (1) US\$57,315¹ for co-implementation activities with the

¹ Actual payment was US\$50,352 and the remaining commitment of US\$6,963 is to be paid upon the completion of the Letter of Agreement with the project partner.

Korean Society of Environment and Ecology (KSEE) and the Wild Bird Society of Japan in 2014, (2) US\$137,500² committed for the implementation of project activities by the Chinese Academy Forestry, Wildlife Science and Conservation Center of Mongolia, the State Nature Biosphere Reserve “Daursky”, the Feline Research Centre of State Forestry Administration, and Vsemirnyi Fond Prirody (WWF) in 2015, (3) US\$5,884 for holding the Review Meeting of the NEASPEC project on “Study on Trans border Movement of Amur Tigers and Leopards on 15 September 2015 in Harbin, China, and (4) US\$431 for supporting the joint study along the Demilitarize Zone (DMZ) in the ROK under the Project on Habitats for Key Migratory Birds during 30 January to 4 February 2015 (undertaken by KSEE).

- Dust and Sandstorms: US\$15,057 for the International Workshop on Combating Desertification and Land Degradation on 7-9 July 2015 in Beijing, China.

3. Table 2 shows (i) the approved budget plan for July 2013 - November 2015 and (ii) detailed expenditures incurred for the period from July 2013 to November 2015 for each programme.

² Out of US\$137,500, the actual disbursement is US\$98,400, and the remaining of US\$39,100 is pending for the conclusion of project activities.

Table 2. Statement of Budget and Expense- NEASPEC Core Fund

As of 30 November 2015

(In US Dollars)

Budget Items	Approved Budget for Jul 2013 - Dec 2015	Expense July -Dec 2013	Expense Jan-Dec 2014	Expense Jan-Nov 2015	Balance as of November 2015
Project staff/ consultants	100,000	15,161	38,409	36,176	10,254
EGMs and SOMs	60,000	14,948	18,423	6,883	19,746
Staff travel	27,000	1,445	15,782	6,643	3,130
Website and printing	10,000	-	-	-	10,000
Equipment	4,000	-	-	-	4,000
Sundry	5,770	115	937	573	4,145
Operation- Subtotal (A)	206,770	31,669	73,551	50,275	51,275
Marine Environment	70,000	6,407	11,896	0	51,697
o Meeting(s)/ trainings	40,000	-	11,896	-	28,104
o Joint research	30,000	6,407	-	-	23,593
Nature Conservation	255,000	12,864	65,908	143,815	32,413
<i>A) Tiger and leopard</i>	<i>100,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
o EGMs	25,000	-	8,593	5,884	10,523
o Field study, DNA analysis, etc.	75,000	-	-	75,000	0
<i>B) Migratory Birds</i>	<i>155,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
o EGMs	30,000	12,864	-	-	17,136
o Survey, Study and Capacity Building	125,000	-	57,315	62,931	4,754
Dust and Sandstorms	70,000	35,027	0	15,057	19,916
o Technical training	35,000	35,027	-	-	-27
o Workshops	35,000	-	-	15,057	19,943
Programme-Subtotal (B)	395,000	54,298	77,804	158,872	104,026
Total (A) + (B)	601,770	85,967	151,355	209,147	155,301
Programme Support Cost (13%)	78,230	11,176	19,676	27,189	20,189
GRAND TOTAL	680,000	97,143	171,031	236,336	175,490

II. THE STATUS OF THE PROJECT-BASED FUND

4. In addition to the activities funded by the Core Fund, NEASPEC also operates project-based fund with the contributions from member States for specific activities.

5. Based on the agreement with the Government of the Russian Federation and also in pursuant to the approved project proposal made during the SOM-19, the Secretariat implements the project on the Development of the Technical and Policy Frameworks for Transboundary Air Pollution Assessment and Abatement in North East Asia.

6. In 2014, the Government of the Russian Federation contributed US\$170,000 to the project fund. As of November 2015, the total expense under the project is US\$71,968 with the balance of US\$98,032. Also, the additional expense of US\$32,550 has been committed for the project activities in 2016 under an agreement with a national partner. Therefore, the estimated balance of US\$65,482 is available for remaining activities in 2016.

7. Table 3 shows the approved budget plan for the Project (2014-2015) and expenses made as of 30 November 2015.

Table 3. Statement of Budget and Expense

As of 30 November 2015

(In US Dollars)

Description	Budget (2014-2015)	Expense 2014	Expense and commitment Jan- Nov 2015	Balance
Personnel/Consultant	15,000	0	7,035	7,965
Subcontracts/Grants (for modeling and framework development)	70,000	0	30,000	40,000
Meetings and workshops	60,000	14,792	10,586	34,622
Miscellaneous	5,442	125	0	5,317
Programme Support Cost (13%)	19,558	1,939	7,491	10,128
TOTAL	170,000	16,856	55,112	98,032

8. The expense in the amount of US\$ 7,035 was for the hiring of an expert to assist with the project on "Review of existing and required capacities for addressing adverse environmental impact of transboundary air pollution in North-East Asia. And the remaining balance will be committed to hiring an additional consultant who will develop a set of recommendations for the new framework in North-East Asia.

9. The expense in the amount of US\$30,000 is a partial committed amount for the Agreement with the Scientific Research Institute for Atmospheric Air Projection, Russian

Federation. The remaining amount of US\$32,550 has been committed for activities in year 2016 under the Agreement.

10. The expense in the amount of US\$ 10,586 was for the organization of the Consultation Meeting on Modeling Source-Receptor Relationship of Transboundary Air Pollution during 18-21 March 2015 in Busan and Incheon, Republic of Korea, and Beijing, China.

III. PROGRAMME PLANNING AND MANAGEMENT:

January 2016 - December 2018

11. The programme planning and management for the period 2016-2018 is proposed to implement the NEASPEC Strategic Plan 2016-2020. The Plan has the goals to (a) enhance coordinated actions to address subregional environmental challenges including climate change; (b) mobilize mutual support to manage domestic environmental issues in member States; and (c) contribute to the implementation of national, regional and global goals for sustainable development, in particular, environment-related Sustainable Development Goals. In this connection, the Plan is intended to achieve the goals through (a) strengthening the science-policy linkages in the development and implementation of programmes, (b) operating effective platforms and networks for member governments and other major stakeholders to enhance subregional environmental cooperation and coordinated actions, (c) focusing on joint actions to maximize the efficiency and impact of subregional cooperation, (d) supporting knowledge sharing and capacity development among member governments and other stakeholders as appropriate, and (e) identifying and enhancing potential linkages between NEASPEC and subregional programmes and regional and global goals.

12. In this connection, the secretariat proposes the budget plan as shown in Table 4. The budget plan for programme planning and management includes all major activities while a detailed activity plan for each programmatic area will be prepared through consultations with member Governments and other relevant partners in the course of identifying and implementing specific activities.

13. As of 30 November 2015, as shown in Table 1, the available fund for further allocation is US\$457,919. With the expected additional expense of US\$4,857 in December 2015, the secretariat estimates that the beginning cash balance available for the new budget cycle as of January 2016 will be about US\$450,000 which will be brought forward for the next budget cycle period of 1 January 2016 to 31 December 2018.

14. Given the previous pattern of contributions, we expect the annual contribution of US\$150,000 for the next 3-year period from 2016 to 2018. This will make the total amount available for allocation for the period from January 2016 to December 2018 to be approximately US\$900,000. However, it is proposed not to allocate all the resources in order to support activities in the next phase starting from 2019.

15. Thus, the secretariat proposes allocating US\$720,940 for the period from January 2016

to December 2018 as follows.

Table 4. Budget Plan for 1 January 2016 – 31 December 2018

Activities	Budget Items	Amount (US\$)
Management of NEASPEC Secretariat and meetings	Professional project staff/ consultants	140,000
	EGMs and SOMs	60,000
	Staff travel	30,000
	Website and printing	5,000
	Sundry	3,000
	<i>Subtotal</i>	238,000
Development and Implementation of Activities	Transboundary Air Pollution	80,000
	Joint research	50,000
	Workshops	30,000
	Marine Protected Area Network	80,000
	Network meetings and trainings	50,000
	MPA assessment	30,000
	Nature Conservation	90,000
	Meetings and trainings	70,000
	Analytical studies and publications	20,000
	Dust and Land Degradation	80,000
	Technical trainings	50,000
	Workshops for the Multistakeholder Plan	30,000
	Low Carbon City	70,000
Technical assistance and workshops	50,000	
Analytical studies	20,000	
<i>Subtotal</i>	400,000	
Total		638,000
Programme Support Cost (13%)		82,940
Grant total		720,940

16. In line with the NEASPEC Strategic Plan 2016-2020, results framework of the programme planning and management is proposed as follows. The following outputs and activities are formulated according to the standard format of ESCAP's project document.

Output A

Enhanced knowledge of member Governments and major stakeholders on the subregional situation of sustainable development and strengthened subregional dialogue and cooperation for advancing joint efforts for sustainable development.

Key activities:

- A.1 Review progress of implementation of ongoing programmes and activities under the framework of NEASPEC.
- A.2 Support dialogue among Member States on strengthening subregional environmental cooperation through NEASPEC.
- A.3 Establish and operate a working group of national institutions and other relevant stakeholders for each programmatic area.
- A.4 Organize the annual Senior Officials Meeting including preparation of meeting documents, logistic arrangements and preparation of the outcome document.
- A.5 Facilitate dialogue among key stakeholders in member States as well as other relevant subregional, regional and international organizations to identify and develop new joint initiatives in support of the implementation of the Sustainable Development Goals.

Output B

Expanded and enhanced subregional cooperation to address key challenges to sustainable development in North-East Asia in accordance with recommended objectives and activities contained the NEASPEC Strategic Plan 2016-2020.

Key activities:

- B.1 Facilitate information sharing, joint study and cooperation among Member States and relevant institutions on transboundary air pollution
- B.2 Implement joint projects for six target species under the NEASPEC Nature Conservation Strategy with enhanced and strengthened transboundary cooperation among all stakeholders.
- B.3 Operationalize NEAMPAN to support partnerships among target MPAs and stakeholders, and enhance capacity to achieve, inter alia, the Aichi Biodiversity Targets related to marine and coastal biodiversity in a holistic manner.
- B.4 Operationalize a subregional platform for low carbon cities to support communications and cooperation among stakeholders, and link cities and major stakeholders both within and beyond the subregion and promote

awareness and capacity to promote low carbon and climate resilient development

- B.5 Implement partnership projects recommended by the North-East Asia Multi-stakeholder Plan (NEAMSP) on Combating Desertification and Land Degradation for more coordinated and efficient actions in combating desertification amongst key stakeholders.

Output C

Enhanced capacity of policy makers and other stakeholders to strengthen information sharing on the objectives and results achieved under NEASPEC and its activities.

Key activities:

- C.1 Enhance the function of the NEASPEC website as a medium for effective outreach by improving its system and updating information.
- C.2 Publish the outcomes of NEASPEC projects and activities for wider dissemination of information.

17. In addition to the utilization of the Core Fund, the Secretariat will strive its efforts for mobilizing co-financing and in-kind contributions from project partners and others sources to scale up NEASPEC outputs and activities where relevant.

18. At the same time, SRO-ENEA would carry out a number of subregional activities in support of the Sustainable Development Goals. While these activities will be implemented outside the framework of NEASPEC, SRO-ENEA will ensure their linkages and synergies with NEASPEC activities through close consultations with member States.

IV. ISSUES FOR CONSIDERATION

19. The Meeting may wish to accept the financial report and approve the proposed programme planning and management including the budget plan.

20. The Meeting may wish to request member States to announce their intended financial and in-kind contributions to the implementation of programmes and activities.

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