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REVIEW AND PLANNING OF THE CORE FUND
(Item 8(b) of the provisional agenda)

BUDGET PLANNING FOR THE BIENNIUM: 2007-2008

Note by the Secretariat

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I. SUBREGIONAL ENVIRONMENTAL COOPERATION IN NORTH-EAST ASIA

1. Making up over 44 per cent of the entire population of Asia and the Pacific, the countries of North-East Asia, which include China, the Democratic People's Republic of Korea, Japan, Mongolia, the Republic of Korea and the Russian Federation are varied in size and diverse in their economies and environmental problems. They vary in size from the world's largest country, the Russian Federation (17 million sq km), to the Republic of Korea (98,480 sq km). Their economies range from the world's second largest in terms of gross domestic product (GDP) (Japan) to one of the smaller economies (Mongolia). This diversity creates vast potential for extensive subregional cooperation as the North-East Asian countries can complement and supplement their efforts according to the strengths and weaknesses of their respective socioeconomic conditions.

2. Realizing that countries are likely to benefit from information sharing and exchange, technology development and transfer, capacity-building and collaborative financing, and as a follow-up to the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992, the countries of North-East Asia launched a programme of environmental cooperation in 1993 and agreed on the following principles when undertaking collaborative environmental programmes in the subregion:

- Step-by-step and practical approaches towards subregional cooperation with an emphasis on priority environmental concerns of the countries of the subregion;
- Decision-making by consensus; and
- Programme thrust on capacity building, information sharing and technology transfer.

3. While the 1st and 2nd Senior Officials Meetings identified a) energy and air pollution, b) ecosystem management and c) capacity-building as priority areas of subregional cooperation, the Framework of NEASPEC suggests identifying new activities based on the consideration of the following conditions: the commonality of interest, contribution to capacity-building, priority setting by the countries themselves, the impact on environment and sustainable development efforts, tangible subregional environmental benefits, and cost effectiveness.

4. Through a consultation process in a series of SOMs, NEASPEC has continuously developed its function as a policy dialogue forum to deal with environmental issues of common concern to the countries in the subregion, as well as a governing body to guide joint implementation of subregional projects and activities.

5. During the same period, most NEASPEC countries have developed comprehensive environmental initiatives in the framework of national strategies and action plans for sustainable development, and made some progress in protecting national and subregional environmental resources. Environmental indicators show a reversal of forest losses, increased areas under protection for nature conservation purposes, and significant improvements in air quality with respect to SO₂ concentrations in cities. However, the persistence of new patterns of production and consumption induced by rapid economic growth combining with relatively low eco-efficiency of socioeconomic systems in most countries has been symptomatic of declining environmental sustainability and increasing pressure on the natural environment. As a result, the socioeconomic trends considerably hinder the significant improvement of national environmental policies from attaining progress in environmental sustainability. Thus, enhancing the scope and impact of subregional environmental

cooperation for coordinated and effective responses to common environmental issues constantly remain as a crucial task for the NEASPEC countries.

II. ESCAP MANDATES FOR NEASPEC

6. The ESCAP Commission Resolution of 49/ 7 on “Implementation of Decisions of the General Assembly on the United Nations Conference on Environment and Development, including Agenda 21, in Asia and the Pacific” welcomed the North-East Asian countries’ efforts under the auspices of ESCAP to enhance cooperation in environmental protection in the subregion, and requested the Executive Secretary to explore with Governments the assistance that ESCAP should be able to provide in order for them to implement the relevant components of Agenda 21. Furthermore, the Commission Resolution 50/8 on “Strengthening of Subregional Economic Cooperation in North-East Asia” requested the Executive Secretary to continue ESCAP initiatives and efforts in promoting subregional economic cooperation in general ... and environmental cooperation for sustainable development in North-East Asia in particular”.

7. Based on the Resolutions, ESCAP commenced its role as a catalyst for developing the “Framework for the North-East Asian Subregional Programme of Environmental Cooperation”, which was adopted at the Third Meeting of Senior Officials on Environmental Cooperation in North-East Asia, held in Ulaanbaatar in September 2006. The Framework requested ESCAP to provide secretariat supports to NEASPEC in the interim period pending the final decision on the future institutional arrangement. Recognizing the need for institutional and technical supports for the Framework, the Commission Resolution 53/3 on the Framework called upon ESCAP to act in accordance with the request. Thus, ESCAP has been acting as the interim secretariat of NEASPEC by providing all necessary arrangements for senior officials meetings and managing all joint activities.

III. APPROACHES FOR THE OPERATION OF NEASPEC

8. Subregional and regional environmental cooperation could be a crucial coupling mechanism for supporting national responses to attain global mandates, and crafting multilateral actions to tackle national environmental concerns. In particular, subregional environmental cooperation has significant potential to effectively address environmental issues in shared natural resources and to build common pools of knowledge and experience for better management of the environment.

9. Thus, ESCAP will strive for strengthening the established mechanism of environmental cooperation in North-East Asia through enhancing policy dialogue among government officials and experts, identifying subregional priority environmental issues, undertaking joint subregional actions and promoting the full participation of all NEASPEC countries in subregional environmental cooperation. Considering the fact that NEASPEC is a multilateral programme of North-East Asian countries, the operation of NESPEC will be undertaken in such a way to enhance the ownership of the member countries over the Programme and its activities.

10. Noting the Vision Statement adopted by the Sixth Senior Official Meeting, ESCAP will closely consult with the NEASPEC countries to (a) develop a comprehensive mechanism

for environmental cooperation in the subregion, (b) forge a mutually beneficial partnership with other relevant initiatives, and (c) increase the involvement of major stakeholders.

IV. KEY ACTIVITIES FOR THE BIENNIUM 2007-2008

11. Based on the consideration of previous activities, discussions and decisions, the following activities are presented for making a decision on the budget for the biennium 2007-2008. The following activities are subject to changes in accordance with decisions made under the agenda "Review of Programme Planning and Implementation".

(A) Management of the NEASPEC Secretariat

A.1 Review progress of ongoing programmes and activities under the framework of NEASPEC and facilitate their implementation

A. 2 Develop mechanisms for enhancing the involvement of all member countries as well as all relevant stakeholder groups including research institutes, the private sector, and NGOs in designing and implementing NEASPEC activities

A.3 Enhance the function of the NEASPEC website as a medium for effective outreach by improving its system and updating information

A. 4 Publish public awareness materials on NEASPEC

A. 5 Organize the SOM 13 and 14 through preparing meeting documents and logistic arrangements

(B) Development and implementation of joint activities under "Eco-efficiency Partnership in North-East Asia"

B.1 Prepare and disseminate publications on eco-efficiency in North-East Asia

B.2 In accordance with recommendations from the member countries, develop and undertake activities under "Eco-efficiency Partnership in North-East Asia"

(C) Supporting the full participation of the member countries in NEASPEC activities: the project on air pollution from coal-fired power plants

C.1 Facilitate the overall implementation of the ADB RETA project on air pollution from the coal-fired power plants and in particular execute project components agreed between ESCAP and the ADB

C.2 Ensure the participation of all member countries in the project by providing institutional and financial supports in accordance with national needs

(D) North-East Asia Environmental Outlook

D.1 Organize expert meetings and consultation processes to assess environmental issues and identify priority activity areas

V. INDICATIVE PROJECT BUDGET

Activities	Budget Items	Year 1	Year 2	Total
Management of NEASPEC Secretariat	Programme Assistants	20,000	20,000	40,000
	SOMs	15,000	20,000	35,000
	Project formulation*		30,000	30,000
	Staff travel **	15,000	15,000	30,000
	Editing and printing		5,000	5,000
	Website	2,500	2,500	5,000
	<i>Subtotal</i>	<i>52,500</i>	<i>92,500</i>	<i>145,000</i>
Eco-efficiency Partnership in North-East Asia	Meetings/trainings	25,000	30,000	55,000
	Consultants/resource persons	5,000	5,000	10,000
	Publicity(printing, website, etc)		5,000	5,000
	<i>Subtotal</i>	<i>30,000</i>	<i>40,000</i>	<i>70,000</i>
Supporting the full participation of the member countries in NEASPEC activities: Air pollution project	Training workshops***	10,000	10,000	20,000
	<i>Subtotal</i>	<i>10,000</i>	<i>10,000</i>	<i>20,000</i>
North-East Asia Environmental Outlook	Meetings	30,000		30,000
	Editing and printing		10,000	10,000
	<i>Subtotal</i>	<i>30,000</i>	<i>10,000</i>	<i>40,000</i>
Reporting/ Miscellaneous		5,000	5,000	10,000
Subtotal		127,500	157,500	285,000
Programme Support Cost (13%)		16,575	20,475	37,050
Project Total		144,075	177,975	322,050

* Includes costs for consultants/resource persons and expert group meetings

** Includes trips for all meetings of NEASPEC activities

*** Includes the costs for supporting the participation of DPR Korean and Russian experts in inception meeting, training workshops, study tours, etc.

VI. MANAGEMENT ARRANGEMENTS

12. The operation of the NEASPEC Secretariat will be based on the policy guidance of the SOMs and the consultation with the member countries during interregnum period between SOMs, while institutional and financial management of the Secretariat will be governed by UN rules and regulations.

13. The development and implementation of NEASPEC activities will be carried out in collaboration with UN and international agencies including the ADB, UNDP and UNEP, as well as national institutes and NGOs recommended by the member countries.

VII. ISSUES FOR CONSIDERATION

14. The meeting may wish to decide upon the proposed indicative budget based on decisions made under the agenda "Review of Programme Planning and Implementation"

15. Based on the approved activities and budget, the meeting may wish to request the Secretariat to formulate a project document in accordance with UN rules and regulations.

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