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Virtual Meeting

REVIEW AND PLANNING OF THE CORE AND PROJECT-BASED FUND

(Item 7 of the provisional agenda)

Note by the Secretariat

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I. THE STATUS OF THE CORE FUND

1. As of 31 December 2019, the balance of the NEASPEC Core Funds was \$727,132. China and the Republic of Korea made contributions to the Fund in the amount of \$50,000 and \$200,000, respectively.

2. In 2020, contributions from China and the Republic of Korea were US\$44,985 and US\$245,727.10, respectively. Table 1 details the status of NEASPEC Core Fund as of 31 July 2020. In addition, the Russian Federation contributed US\$ 377,081 to the project account in 2020, which is separately reported in the section II of this document.

Table 1. NEASPEC Core Fund - Financial Statement

As of 31 July 2020

	(In US Dollars)		
	2020 Jan-Jul	2019	2018
Beginning Fund Balance	727,132	654,864	557,995
<u>Income</u>			
Contributions Received	290,712	250,000	150,000
Interest Income	0	8,627	12,083
Gain/Loss on exchange	0		64
	<u>290,712</u>	<u>258,627</u>	<u>720,142</u>
<u>Less:</u> Expenditures and commitments	<u>(57,289)</u>	<u>(186,359)</u>	<u>(65,278)</u>
Ending Fund Balance ending period	<u>960,555</u>	<u>727,132</u>	<u>654,864</u>

3. The major expenditures in 2019-2020 were for the following project activities. The details are provided in the table 2:

- Programme planning and management: (1) project development and Secretariat management (including salary for a secretariat assistant, fees for consultants and expenses for official missions of staff), (2) the organization of the SOM-23 and (3) the external evaluation in 2020.
- Transboundary Air Pollution: The First Science and Policy Committee Meeting of North-East Asia Clean Air Partnership (NEACAP) (4-5 July 2019, Seoul, Republic of Korea) and

one consultant fee for a background report for the second Science and Policy Committee Meeting of NEACAP in 2020.

- Marine Protected Areas: NEAMPAN Project Review Meeting on Strengthening the Subregional Cooperation through Knowledge Sharing on Sustainable Management of Marine Protected Areas (30 April 2019, Incheon, Republic of Korea).
- Nature Conservation: International Forum on Tiger and Leopard Transboundary Conservation (28-29 July 2019, Harbin, China) and consultant fee for a preliminary study on transboundary cooperation among protected wetlands in the Tumen River Estuary (5 July - 27 August 2019) and finalization (1 October - 31 November 2019)
- Low Carbon City Platform: (1) International Consultation Workshop for Guangzhou Low-carbon Strategy (24-25 January 2019, Guangzhou, China) , (2) North-East Asia Low Carbon City Platform Comparative Study: Final Review Meeting (12 April 2019, Incheon, Republic of Korea), and (3) International Consultation Workshop on Gwangju's Low Carbon Development: Policy and Practice (22 October 2019, Gwangju, Republic of Korea)
- Desertification and Land Degradation: Asia-Pacific Forestry Week (APFW) 2019 Side Event: Multi-stakeholder Cooperation in North-East Asia on Combatting Desertification and Land Degradation (21 June 2019, Incheon, Republic of Korea)

4. Table 2 shows the status of project budget by programme area and by nature of expense. The SOM-22 approved the Secretariat's request to extend the project cycle from 2016-2018 to 2016-2020 to support the continued implementation of NEASPEC Strategic Plan 2016-2020. As of 31 July 2020, the total project expense is US\$548,897, which represents 63.6 % of delivery rate in comparison with the total budget of US\$863,000. Due to the COVID-19 Pandemic, all planned meetings in 2020 were organized virtually, which resulted in savings in travel-related costs.

5. The Secretariat expects to have the additional spending of \$ \$33,482 by the end of this year. The remaining balance of the NEASPEC Core Fund together with new contributions will be used for the implementation of the project activities in accordance to the new NEASPEC Strategic Plan 2021-2025.

Table 2. Status of NEASPEC Project Budget
As of 31 July 2020

(In US Dollars)

Activities	Budget Items	Approved 2016 - 2020 (A)	Expense 2016	Expense 2017	Expense 2018	Expense 2019	Expense 2020 (31 July 2020)	Total Expense 2016-July 2020 (B)	Budget Balance as of 31 July 2020 (A)-(B)
Management of NEASPEC Secretariat and Meetings	Project staff	242,539	18,635	47,787	53,199	52,951	27,821	200,393	42,146
	Consultant - Evaluator	20,000				-	14,357	14,357	5,643
	EGMs and SOMs	56,117	3,389	10,758	16,227	14,685	-	45,059	11,058
	Staff travel*	9,728	15	9,896	(3,951)	-	-	5,960	3,768
	Website	1,752	59	293	-	-	290	642	1,110
	Sundry	1,062	15	15	-	-	40	70	992
	Operation- Subtotal (A)	331,198	22,113	68,749	65,475	67,636	42,508	266,481	64,717
Development and Implementation of Activities	Transboundary Air Pollution	98,310	150	18,310	-481	34,714	3,030	55,723	42,587
	o Joint Research	40,000	-	-	-	5,020	-	5,020	34,980
	o Workshops	58,310	150	18,310	(481)	29,694	3,030	50,703	7,607
	Marine Protected Area Network	27,408	0	4,067	1,337	209	0	5,613	21,795
	o Meeting(s)/trainings	27,408	-	4,067	1,337	209	-	5,613	21,795
	o MPA assessment	0	-	-	-	-	-	-	-
	Nature Conservation	140,201	17,293	-77	11,308	23,356	4,545	56,425	83,776
	o Meetings and trainings	90,201	17,293	(77)	5,442	10,005		32,663	57,538
	o Analytical studies & publication	50,000	-		5,866	13,351	4,545	23,762	26,238
	Dust and Land Degradation	50,000	0	0	0	1,495	0	1,495	48,505
	o Technical training	30,000	-	-	-	-	-	-	30,000
	o Workshops for the Multi- Stakeholder Plan	20,000	-	-	-	1,495		1,495	18,505
	Low Carbon City	116,600	17,312	60,484	-19,908	44,471	0	102,359	14,241
	o Technical assistance & workshop	57,340	17,312	1,234	13,092	11,141		42,779	14,561
	o Analytical studies*	59,260	-	59,250	(33,000)	33,330		59,580	(320)
	Programme-Subtotal (B)	432,519	34,754	82,784	-7,744	104,245	7,575	221,614	210,905
Total (A) + (B)	763,717	56,867	151,533	57,731	171,881	50,083	488,095	275,622	
	Programme Support Cost (13%)	99,283	7,645	16,146	7,505	22,300	7,206	60,802	38,481
	Grand Total	863,000	64,512	167,679	65,236	194,181	57,289	548,897	314,103

II. THE STATUS OF THE PROJECT-BASED FUND

6. In addition to the activities funded by the Core Fund, NEASPEC operates the project-based fund with the contributions from member States for specific activities. As of 31 July 2020, two project accounts are under operation: (1) Project on “Strengthening the subregional cooperation through knowledge sharing on sustainable management of Marine Protected Areas

(MPAs)” and (2) Project on “Transboundary cooperation on the conservation of Amur tigers, Amur leopards and Snow leopards in North-East Asia.”

[Project on “Strengthening the subregional cooperation through knowledge sharing on sustainable management of Marine Protected Areas (MPAs)]

7. Based on the agreement with the Government of the Russian Federation and in pursuant to the decision of the SOM-21, the Secretariat has implemented the project on “Strengthening the subregional cooperation through knowledge sharing on sustainable management of Marine Protected Areas (MPAs)”. The contribution of \$120,000 was transferred from the Russian Federation in 2018. The project is approved for operation from 1 March 2018 to 30 June 2021.

8. As of 31 July 2020, the table 3 presents the status of financial contributions for the project which has the total balance of US \$62,549.

Table 3. NEASPEC MPA Project- Financial Statement

As of 31 July 2020

	(In US Dollars)		
	2020 Jan-July	2019	2018
Beginning Fund Balance	62,780	92,839	0
<u>Income</u>			
Contributions received			120,000
Interest Income	<u> </u>	<u>2,165</u>	<u>2,257</u>
	62,780	95,004	122,257
<u>Less:</u> Expenditures and commitments	<u>(231)</u>	<u>(32,224)</u>	<u>(29,418)</u>
Ending Fund Balance ending period	<u><u>62,549</u></u>	<u><u>62,780</u></u>	<u><u>92,839</u></u>

Table 4: Status of MPA Project Budget and Expense*As of 31 July 2020*

(In US Dollars)

Descriptions	Original Budget line	Revised Budget (approved) (1)	Expense 2018 (2)	Expense 2019 (3)	Expense 2020 (4)	Total Expense (5)	Balance (1)-(5)
Personnel/Consultant	10,000	50,000	26,000	21,000	0	47,000	3,000
Contractual services	19,500	19,500	34	3,554	124	3,712	15,788
Operating expense	695	695		60	80	140	555
Grants (LOA)	40,000	0	0	0	0	0	0
Travel (EGM)	36,000	36,000	0	3,903	0	3,903	32,097
Sub-Total	106,195	106,195	26,034	28,517	204	54,721	51,440
Programme Support Cost (13%)	13,805	13,805	3,384	3,707	27	7,118	6,687
Total	120,000	120,000	29,418	32,224	231	61,873	58,217

9. The major activities up to the date of reporting are for conducting the studies on sustainable management of MPAs with following key expenditures:

- Consultant contracts to conduct the study: seven contracts were signed in 2018 and 2019. Consultants include one Chinese, one Japanese, one ROK and four Russian experts.
- Project Review Meeting on 30 April 2019, Incheon, Republic of Korea

10. All the consultancy contracts were completed, and relevant consultancy fees were disbursed. A contract for one of the four Russian consultants was classified as individual contractor due to administrative technicalities thus the fee was charged under the contractual services.

11. Due to the COVID-19 pandemic, a planned workshop in 2020 could not take place. The Government of Russian Federation approved the extension of the project period until June 2021. The Government also supported the Secretariat's proposal to change the project activity plan and use the funds initially allocated for the workshop for translating the study outcomes into the languages of the NEAMPAN members (Chinese, Japanese, Korean and Russian).

[Project on "Transboundary cooperation on the conservation of Amur tigers, Amur leopards and Snow leopards in North-East Asia"]

12. SOM-23 endorsed the project including three components, namely on transboundary

cooperation between the Northeast Tiger and Leopard National Park of China and the Land of the Leopard National Park of the Russian Federation to conserve Amur tigers and leopards; Sino-Russian transboundary protected areas and feasibility study in Lesser Khingan Mountains to conserve Amur tigers; and the assessment of two snow leopard subpopulations in the transboundary area between Mongolia and the Russian Federation, with the total contribution of US\$ 377,081 from the Russian Federation. The project period is from January 2020 to September 2022.

Table 5. NEASPEC NC Project-Financial Statement

As of 31 July 2020

(In US Dollars)

	2020 Jan-Jul
<u>Income</u>	
Contributions received	377,081
Interest Income	<u>0</u>
<u>Less:</u> Expenditures and commitments	<u>(56,500)*</u>
Ending Fund Balance ending period	<u>320,581</u>

**Note: this is committed amount for the project component 3: 2 LOAs (US\$50,000) plus 13% of Programme Support Costs (US\$ 6,500)*

Table 6. Status of NC Project Budget and Expense

As of 31 July 2020

(In US Dollars)

Descriptions	Budget	Expense in 2020	Balance
Staff and other personnel costs	10,000	-	10,000
Contractual services	57,000	-	57,000
Operating expenses	1,000	-	1,000
Transfers and grants	212,000	22,750	189,250
Travel	53,700	-	53,700
Sub-total	333,700	22,750	310,950
Programme support costs (13%)	43,381	2,958	40,424
TOTAL	377,081	25,708	351,374

13. The major activities in 2020 with key expenditures up to the date of report include the following:

On project component 3: “Assessment of the current status of two snow leopard subpopulations in Transboundary are between Mongolia and the Russian Federation”:

- Out of the committed contract amount of US\$25,000, the first payment of US\$ 12,050 for the LOA with the Irbis Mongolia Center has been released.
- Out of the committed contract amount of US\$25,000, the first payment of US\$ 10,700 for the LOA with and the WWF Russia (Altai-Sayan branch) has been released.

III. CONTRIBUTIONS FROM PARTNERS AND OTHERS

14. During the past budget period, the Secretariat obtained additional financial and in-kind support from project partners through joint activities or collaboration. Table 5 details in-kind contributions that the Secretariat received in 2018-2019. In addition to the activities listed in the Table 5, the Secretariat has collaborated with various project partners in member States for project implementation. Those partners include Innovative Green Development Program (iGDP), Guangzhou Energy Conservation Supervision Center, National Forestry and Grassland Administration of China, Northeast Forestry University of China, Korea Environment Institute (KEI), and Institute for Global Environment Studies (IGES).

Table 7. In-kind contributions received for joint activities in 2019-2020

Activity	Dates	Partner	Contributions
International Consultation Workshop on Gwangju’s Low Carbon Development: Policy and Practice	22 October 2019, Gwangju, Republic of Korea	Gwangju Metropolitan Government, International Climate & Environment Center	Venue, administrative and logistical support.
International Forum on Tiger and Leopard Transboundary Conservation	28-29 July 2019, Harbin, China	National Forestry and Grassland Administration of China, Northeast Forestry University of China	Venue, catering, administrative and logistical support
Roundtable on the Future of North-East Asia Clean Air Partnership	4 July 2019, Seoul, Republic of Korea	Ministry of Foreign Affairs of ROK and National Council on Climate and Air Pollution of ROK	Venue, catering and logistical support
Asia-Pacific Forestry Week (APFW) 2019 NEASPEC Side Event	21 June 2019, Incheon, Republic of Korea	Korea Forestry Service, FAO	Venue and catering
International Consultation Workshop for Guangzhou Low-carbon strategy	24-25 January 2019, Guangzhou, China	Guangzhou Energy Conservation Center	Venue, catering and logistical support

IV. PROGRAMME PLANNING AND MANAGEMENT:

January 2021 - December 2025

15. The programme planning and management for the period 2021-2025 is proposed to implement the NEASPEC Strategic Plan 2021-2025. The Plan has the goals (a) enhance science-based, policy-oriented cooperation to address subregional environmental challenges; (b) mobilize mutual support to manage domestic environmental issues in member States; (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) developing and implementing joint actions promoting science-policy linkages in each programmatic area,
- (b) focusing on joint actions to maximize the efficiency and impact of subregional cooperation,
- (c) supporting knowledge sharing and capacity development among member governments and other stakeholders as appropriate,
- (d) operating effective platforms and networks for member governments and other stakeholders to enhance subregional environmental cooperation and coordinated actions, and
- (e) identifying and enhancing potential linkages between NEASPEC and subregional programmes and regional and global goals.

16. In line with the above-mentioned goals and approaches, the secretariat proposes the budget plan as shown in Table 8. The budget plan is based on the ESCAP template for project document. This allows the secretariat to keep consistent reporting of the budget execution to ESCAP internally and the NEASPEC member governments. 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.

17. As of 31 July 2020, as shown in Table 1, the available fund for further allocation is US\$ 960,555, With the expected additional expense of US\$ \$33,482 by 31 December 2020, the secretariat estimates that the beginning cash balance available for the new budget cycle as of 1 January 2021 will be about US\$ 927,073 which will be brought forward for the next budget cycle period of 1 January 2021 to 31 December 2025.

18. Thus, the secretariat proposes allocating US\$ 1,899,926 for the period from January 2021 to December 2025 as shown in the Table 8. Specific information on each budget item is as follows after the Table 8.

Table 8 Budget Plan for 1 January 2021- 31 December 2025
(based on the ESCAP project template)

Commitment item class and description	Amount for 5 years in total (US\$)
FT_CLASS_010 Staff and other personnel costs	
International staff	319,350
Local staff – GS	298,500
International consultants	187,000
National consultants	0
<i>Class Total</i>	804,850
FT_CLASS_135 Equipment, Vehicles and Furniture	
Supplies and Materials	0
Equipment, Vehicles and Furniture	4,500
<i>Class Total</i>	4,500
FT_CLASS_120 Contractual services	
Contractual services	42,000
<i>Class Total</i>	42,000
FT_CLASS_160 Travel	
Travel of staff on official business	96,500
Travel of consultants	50,000
Study Tours/Workshops/Seminars (participants)	572,000
<i>Class Total</i>	718,500
FT_CLASS_140 Transfer and grants to implementing partner	110,000
<i>Class Total</i>	110,000
FT_CLASS_125 General operating and other direct costs	
General Operating and other direct costs	0
Communications	0
Other operating costs	1,500
<i>Class Total</i>	1,500
Programmable Project Costs	
FT_CLASS_155 Programme Support Costs - UN	218,576
<i>Class Total</i>	218,576
Project Total	
	1,899,926

- Staff and other personnel costs
 - International staff cost: 50% of salary and benefits of one professional staff (P-2) dedicated to the NEASPEC work¹
 - Local staff cost: salary and benefits of one general service staff (GS-4) dedicated to the NEASPEC work
 - International consultants (mostly from member countries): about 15 experts to conduct analytical studies and technical assessment for respective programme areas and one expert to update the NEASPEC website
- Equipment: to purchase 2 laptop computers
- Contractual services: to produce about 10 publications from 5 programme areas and 1 new brochure for NEASPEC
- Travel
 - travel of staff on official business: to organize 5 SOMs and programme activities
 - travel of consultants who are recruited under each programme area to join respective programme activities
 - study tours/workshops/seminars: to convene about 20 programme activities and 5 SOMs
- Grants: about 10 partnership activities with partner institutions in member States through Letter of Agreements (LOAs)

20. In line with the NEASPEC Strategic Plan 2021-2025, results framework of the programme planning and management is proposed as follows. The following outputs and activities are formulated according to the Strategic Plan and the standard format of ESCAP's project document.

Table 9 Results framework of NEASPEC project 2021-2025

<p>Project objective:</p> <ul style="list-style-type: none"> • Enhance science-based, policy-oriented cooperation to address subregional environmental challenges • Mobilize mutual support to manage domestic environmental issues in member States • Contribute to the implementation of national, regional and global goals for sustainable development, in particular, environment-related Sustainable Development Goals
<p>Project outcome 1:</p> <ul style="list-style-type: none"> ▪ Strengthened knowledge and capacity of policy makers in the ministries of environment and sustainable development to develop and implement subregional agendas for environmental sustainability
<p>Output 1.1:</p>

¹ The secretariat operation and project management directly involve three professional staff and two general service staff of ESCAP. In addition, many other staff provide managerial or technical support. Considering the significant level of ESCAP's staff contribution, the secretariat requests member States to co-finance one professional staff in addition to one GS staff currently covered by the Core Fund as agreed by member States.

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

Key activities:

1.1 Review progress of implementation of ongoing programmes and activities under the framework of NEASPEC

1.2 Support dialogue among member States on strengthening subregional environmental cooperation through NEASPEC

1.3 Support the effective operation of the existing committees, NEACAP Science and Policy Committee and the NEAMPAN Steering Committee as the main instrument for planning and implementing work in their respective area and develop committees and/or working groups in other thematic areas if deemed necessary

1.4 Organize the annual Senior Officials Meeting including preparation of meeting documents, logistic arrangements and outcome documents

1.5 Facilitate dialogue among key stakeholders in member States as well as other relevant national, subregional, regional and international organizations to identify and develop new joint initiatives in support of the implementation of the Sustainable Development Goals related to the programme areas of NEASPEC

Output 1.2:

Expanded and enhanced subregional cooperation to address key challenges to sustainable development in North-East Asia in accordance with recommended objectives and activities outlined in the NEASPEC Strategic Plan 2021-2025

Key Activities:

2.1 Develop the North-East Asia Clean Air Partnership to be fully-functioning by facilitating information sharing, joint study, and policy and technology cooperation among member States.

2.2 Build and/or strengthen institutional arrangements on the conservation of flagship species and their habitats in support of the NEASPEC Nature Conservation Strategy, national biodiversity strategy and action plan, the Post-2020 Biodiversity Framework and the SDG 15.

2.3 Develop NEAMPAN to be fully functional for strengthening partnerships among target MPAs and stakeholders and enhancing capacity to achieve, inter alia, the SDG 14 and relevant goals associated with marine and coastal biodiversity in a holistic manner.

2.4 Develop the NEA-LCCP to be a fully functional platform to support communications and cooperation among stakeholders, and promote awareness and capacity for developing and implementing low carbon city plans

2.5 Implement pilot studies and raise awareness on interlinkages between climate change mitigation and desertification and land degradation to develop an integrated approach

Output 1.3:

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

Key Activities:

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

3.2 Publish the outcomes of NEASPEC projects and activities for wider dissemination of information

21. Based on the approval of this overall plan and further guidance from member States, the project document will be prepared, approved by ESCAP Executive Secretary and submitted to SOM-25. The project document will contain the following information: 1. Context and problem analysis (Problem identification, Gender analysis, Stakeholder analysis and capacity assessment), 2. Results framework, 3. Project strategy, 4. Sustainability, 5. Gender Marker, and 6. Budget, and Annexes (detailed stakeholder analysis and monitoring, reporting and evaluation).

V. ISSUES FOR CONSIDERATION

22. The Meeting may wish to express its appreciation to the member States that provided financial contributions to the core fund and project-based fund and encourage other member States to make similar contributions.

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

24. 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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