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REVIEW OF PROGRAMME PLANNING AND IMPLEMENTATION
(Item 5 (b) of the provisional agenda)

**MITIGATION OF TRANSBOUNDARY AIR POLLUTION FROM COAL-FIRED
POWER PLANTS IN NORTH-EAST ASIA**
Note by the secretariat

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I. THE PROCESS AND STATUS OF PROJECT IMPLEMENTATION

1. NEAPEC implemented two ADB Regional Technical Assistance (RETA) projects on air pollutions from coal-fired power plants during 1996-1998, and 2002-2004, respectively. Based on the outcome and recommendation of the second phase project, the 10th Senior Officials Meeting (SOM) in 2004 adopted a concept paper of the third phase project on "Mitigation of Transboundary Air Pollution from Coal-Fired Power Plants in North-East Asia". The project concept was further reviewed at the 11th SOM in 2005 to finalize its approach and to reconfirm the support of the member countries. Having accepted the project concept, the 11th SOM requested the Secretariat to prepare the timely implementation of the project and in particular expressed its gratitude to the ADB for the continuing support.

2. A team of the Secretariat and the ADB undertook a fact-finding mission to China, Republic of Korea, Mongolia and Japan from 17 to 30 September 2006 to develop a detailed plan of the project through consultations with relevant authorities. The team had meetings with national focal points of NEASPEC, ministries and institutes directly involved in the formulation and implementation of national policies on air pollution from coal-fired power plants. The mission helped identify national views on project components and the roles of potential partners in the project.

3. Subsequent to the mission, ADB continued consultations with a number of the member governments and finalized the project document, "Regional Technical Assistance: Mitigation of Transboundary Air Pollution from Coal-Fired Power Plants in North-East Asia". ADB approved the technical assistance project on 18 December 2006, along with the allocated grant of US\$900,000.

4. Having confirmed the support of member countries at the 12th SOM in 2007 for the project, ADB had undertaken further consultations with key beneficiary countries, i.e. China and Mongolia, and subsequently with ESCAP on project components and implementation arrangements. The consultations came to a conclusion to revise the components as follows.

- (i) **Component 1. Air Pollution Abatement Plans:** Activities include (a) preparation of abatement plans, (b) audits of the priority emission sources to identify required infrastructure installations, (c) development of project pre-feasibility studies, and (d) assessment of benefits to transboundary pollution from implementation of the abatement plans.
- (ii) **Component 2. SO₂ Emission Regulation and Compliance:** Activities include (a) assessment of compliance issues relating to SO₂ emission regulation policy implementation, and (b) preparation of recommendations

on regulatory and market-based compliance management for SO₂ emission control.

(iii) **Component 3. Mongolian Power Plant Emission Standards:** Activities focus on providing assistance to develop emission standards and other regulatory documentation for coal-fired power plants.

(iv) **Component 4. Knowledge Transfer and Dissemination:** Activities include (a) training workshops for power plant staff, (b) regional workshops and site visits, (c) transboundary air pollution seminars or expert workshops, and (d) dissemination materials.

5. Consultations between ADB and ESCAP also revised each organization's responsibility for project implementation. ADB will take the lead for (i) Component 1: Air Pollution Abatement Plans, (ii) Component 2: SO₂ Emission Regulation and Compliance, and (iii) Component 3: Mongolian Power Plant Emission Standards. ESCAP will take the lead for Component 4: Knowledge Transfer and Dissemination.

6. Though the project budget has been available from early 2007, ADB and ESCAP have not been able to commence the project due to delays in finalizing some institutional and administrative arrangements, in particular, in relation to hiring international consultants and national consultants for the components focusing on China. In this regard, the 13th SOM in 2008 expressed its anticipation for the early start of the project. The SOM also requested the Secretariat to take practical steps to ensure appropriate financial arrangement for the participation of the Russian Federation and DPRK in line with UN rules and regulations.

7. As it became apparent that the implementation of the major components could be further delayed, ADB and ESCAP decided to start activities under the component 4 and held the International Conference on Transboundary Air Pollution in North-East Asia on 17-18 December 2008 in Tokyo, Japan. The summary of the conference is attached.

8. In addition to the overview of subregional conditions of transboundary air pollution and national responses to air pollution from coal-fired power plants, the Conference also explored the possibility of revising the project's approach and component in such a way that the project identifies and meets emerging national interests. In this context, the Conference had discussions on the relevance of subregional activities on co-benefit approach that targets to reduce emissions of both air pollutants and greenhouse gases, thereby directly tackling local and global environmental challenges.

9. The Secretariat has been informed that ADB faces significant administrative problems due to the delay of project implementation creates and strongly requests the member countries to make necessary arrangements for the implementation in 2009 in

order to avoid the cancellation of the project. As discussed at the above-mentioned Conference, it would be possible for member countries to seek for revising the approach and component while the major framework of the project should be maintained as it is now.

II. ISSUES FOR CONSIDERATION

10. The Meeting may wish to provide guidance on the implementation of the project.

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