

EDD/NEASPEC/SOM (14)/5
8 April 2009

ENGLISH ONLY

**UNITED NATIONS
ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

The Fourteenth Senior Officials Meeting (SOM) of NEASPEC

8-9 April 2009

Moscow, Russian Federation

REVIEW OF ISSUES CONCERNING INSTITUTIONAL ARRANGEMENT
(Item 7 of the provisional agenda)

Note by the Secretariat

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The 13th SOM decided to postpone the decision on the institutional arrangement of NEASPEC taking into account the ongoing process of the establishment of the subregional office of ESCAP in North-East Asia. Thus, the present document is prepared to provide up-to-date information on the process for the member countries.

I. Consultation Process on Secretariat Arrangement

1. Upon the request from the NEASPEC member countries, ESCAP has been acting as an interim secretariat for NEASPEC pending the final decision on the establishment of the permanent (or programme) secretariat. Thus, ESCAP has facilitated consultations of the member countries to make the final decision on the institutional arrangement. The consultations also discussed the contributions of member countries to strengthen the human capacity of the interim Secretariat and the ownership of member countries over NEASPEC.
2. In particular, the 3rd, 4th, 7th, 8th and 12th Senior Officials Meetings from 1996 to 2006 discussed the institutional issue of NEASPEC as a key agenda and reviewed all potential options of the Secretariat. The 7th SOM agreed to seek for proposals of member countries for hosting the secretariat, but it was the 12th SOM that finally received a proposal for the establishment of the NEASPEC Secretariat.
3. The 12th SOM in 2007 reviewed a proposal from the Republic of Korea (ROK), which expresses its willingness to host the NEASPEC Secretariat and cover the operational costs. However, the meeting did not make the final decision on the proposal but deferred the decision for further consultations. During the subsequent informal consultation after the SOM, the ROK Government indicated the possibility of making an annual contribution of US\$700,000 to cover both operational costs and new activity costs.
4. However, it was not possible to make the final decision as the secretariat did not receive a consensual view on the revised proposal. Three member countries, namely, China, Japan and Mongolia indicated positive positions in support of the revised proposal, while Democratic Peoples' Republic of Korea (DPRK) and the Russian Federation expressed prudent positions.
5. As a result, the 13th SOM in March 2008 had another round of discussions on the ROK proposal. The discussion had to deal with a new issue, the plan of ESCAP for establishing outreach offices in subregions including North-East Asia. Some member countries pointed out the possibility of North-East Asian Subregional Office to undertake major activities in subregional environmental cooperation. Thus the SOM

concluded that the final decision should take the arrangement of the North-East Asia office into account to avoid any overlap of functions.

6. The establishment of ESCAP subregional office for North-East Asia was approved by the General Assembly in December 2008 together with other offices in Central Asia and South Asia. The location, staffing and function of the subregional offices are under consideration by ESCAP secretariat for further consultations with member countries through appropriate intergovernmental processes.

7. The North-East Asian Subregional Office will consist of four core staff, i.e., one staff member for each D-1, P-5, P-4 and P-2 posts, respectively, and additional professional and general service staff to be contributed by the host country. The process of establishing the Office entails the internal review of potential locations, selection of the location, recruitment of staff, adoption of an agreement with the host government, preparation of office premises and opening of the office.

8. As of the end of March 2009, ESCAP carries out the internal review process and inform the result to the 65th Commission Session of ESCAP to be held from 23rd to 29th April in 2009. Subsequently, ESCAP will convene meetings of subregional member countries to formulate key programme areas of their respective office. ESCAP currently expects that all processes required to open subregional offices could be finalized by the end of 2009. Thus, it is necessary for NEASPEC member countries to take the institutional issue of NEASPEC Secretariat into account during the intergovernmental process on the North-East Asian Subregional Office.

9. It has been noted that NEASPEC has a great potential in coordinating subregional actions, but its potential may not have been fully utilized due to limited human and financial resources. Thus, pending the final decision on the institutional arrangement, there is an urgent need to strengthen the human capacity of the Secretariat by providing national experts and/or scaling up financial contributions to hire full-time secretariat personnel. Also it is equally important to enhance the ownership of member countries over NEASPEC activities through, for example, increasing the role of member countries in designing and implementing individual activities.

10. Thus, in the intergovernmental process for the Subregional Office, the following options could be considered: (a) continuation of the current arrangement with additional financial and in-kind contributions to strengthen the secretariat capacity; (b) establishment of the permanent secretariat of NEASPEC in conjunction with the subregional office; and (c) inclusion of NEASPEC into the programme of the subregional office with additional project staff contributed by the host government or other member countries. Considerations of all options should be undertaken in such a way that the final arrangement is equipped with better capacity of the Secretariat to enhance joint action on subregional challenges.