



Distr.: Limited

6 October 2023

English only

UNITED NATIONS

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Twenty-Sixth Senior Officials Meeting (SOM-26) of NEASPEC

23-24 November 2023

Seoul, Republic of Korea

REVIEW OF THE CORE FUND AND PROJECT-BASED FUND

(Item 7 of the provisional agenda)

Note by the Secretariat

CONTENTS

I.	THE STATUS OF THE CORE FUND.....	2
II.	THE STATUS OF THE PROJECT-BASED FUND.....	5
III.	IN-KIND CONTRIBUTIONS FROM PARTNERS AND OTHERS.....	7
IV.	ISSUES FOR CONSIDERATION.....	8

I. THE STATUS OF THE CORE FUND

1. As of 31 December 2022, the balance of the NEASPEC Core Fund was US\$961,942. In 2022, contributions from China and the Republic of Korea were US\$44,985 and US\$129,751 respectively. In addition, Mongolia contributed US\$4,982 to the Fund.

2. As of 31 July 2023, the balance of the NEASPEC Core Fund was US\$746,903. The status of NEASPEC Core Fund as of 31 July 2023 is shown in Table 1.

Table 1. NEASPEC Core Fund - Financial Statement

As of 31 July 2023

(In US Dollars)

	2023*	2022	2021
	(As of 31 July)		
Beginning Fund Balance	961,942	1,033,420	943,779
<u>Income</u>			
<i>Contributions Received*</i>	0	179,718	299,323
Interest Income	0	5,142	2,382
Gain/Loss on exchange		184,860	301,705
<u>Less: Expenditures and commitments</u>	(215,039)	(256,338)	(212,064)
Ending Fund Balance ending period	746,903	961,942	1,033,420

**Contributions Received: This financial report cut-off as 31 July 2023. Therefore, the Contributions of US\$44,985 received from People's Republic of China in August 2023 is not included in this financial table.*

3. From July 2022 to July 2023, the expense incurred can be categorized by two main components for (1) project development and secretariat management and (2) activity implementation under each thematic work programme. The details of budget spending categorized by thematic work programme are as followings:

- (a) Programme planning and management: Project development and secretariat management, including salary for one international staff (50% of the post cost), one local staff, and cost for development NEASPEC website (US\$169,312)
- (b) Air Pollution: 1) Five consultants for NEACAP policy analysis report and one

consultant for Best Available Techniques review paper; 2) Collaboration of the High-Level Forum on Clean Air on 2-3 March 2023 in Ulaanbaatar, Mongolia; and 3) Co-organization of NEACAP Symposium and SPC-5 during 7-8 September 2023 in Seoul, Republic of Korea (US\$61,680)

- (c) Biodiversity and Nature Conservation: 1) LOA with Irbis Mongolia Center and 2) editing and printing of the Tumen River report (US\$83,100). In addition to core funds, the project activities were implemented using separate Nature Conservation project funds. Please find more details in Table 4.
- (d) Low Carbon City Platform: 1) Organization of the 2nd International Forum on Low Carbon Cities on 6-8 December 2022 and 3rd International Forum on Low Carbon Cities on 29 August 2023 (both were held in Incheon, Republic of Korea); and 2) two consultants for LCC Compendium for best practices (US\$33,975)
- (e) Desertification and Land Degradation: Organization of the Expert Group meeting on desertification and land degradation and climate change on 19-20 June 2023 in Ulaanbaatar, Mongolia (US\$36,063).

4. Table 2 illustrates the financial status of NEASPEC Fund categorized by the nature of expenditures. As of 31 July 2023, the Secretariat spent US\$683,300 or equivalent to the accumulated utilization of the expense 35.96% of the approved budget.

Table 2. Status of NEASPEC Project Budget (for the period of 2021-2025)

As of 31 July 2023

(In US Dollars)

Descriptions	Budget 2021-2025	Commitments and Expense <i>As of 31 July, 2023</i>	Budget Balance
Staff and other personnel costs	804,850	376,798	428,052
Contractual services	132,000	68,562	63,438
Operating expenses*	83,700	14,547	69,153
Supplies and materials	2,500	424	2,076
Equipment and furniture	4,500	2,648	1,852
Transfers and grants	110,000	70,000	40,000
Travel	543,800	71,711	472,089
Sub-total	1,681,350	604,690	1,076,660
Programme support costs (13%)	218,576	78,610	139,966
TOTAL	1,899,926	683,300	1,216,626

* Operating expenses include courier service fee, rental of meeting facilities and equipment, on-line meeting facilitation services, bank fee, and other miscellaneous operating expenses.

5. As the COVID-19 pandemic ended, there is a need to shift some of virtual meetings to in-person meetings, and there is a much stronger need for the NEASPEC Secretariat to conduct more thorough research in the five thematic areas. This is essential to ensure that our activities fully align with the latest developments at the national, regional, and global levels. Therefore, the secretariat proposes the following redeployment of the budget lines to accommodate the actual requirements and to reflect the current nature of project implementation modality. The total budget for the approved period remains unchanged.

6. Below is the proposed revised budget for consideration. The total budget for the period remains unchanged.

Table 3. Proposed Revised Budget 2021-2025

(In US Dollars)

Descriptions	Budget 2021-2025	Change (+/-)	Revised Budget 2021-2025
Staff and other personnel costs	804,850	+24,150	829,000
Contractual services	132,000	+159,000	291,000
Operating expenses	83,700	-43,700	40,000
Supplies and materials	2,500	-	2,500
Equipment and furniture	4,500	-	4,500
Transfers and grants	110,000	-	110,000
Travel	543,800	-139,450	404,350
Sub-total	1,681,350	0	1,681,350
Programme support costs (13%)	218,576	0	218,576
TOTAL	1,899,926	0	1,899,926

7. The saving from the "Travel" and "Operating expenses" budgets during 2021-2023 in the total amount of US\$183,150 is proposed to be redeployed to the followings budget lines:

- (a) Contractual Services budget line in the amount of \$159,000 to cover the cost of on-site meeting packages and catering services, interpretation, and translation services, editing and printing services of publications and reports.
- (b) Staff and other personnel costs budget line in the amount of US\$24,150 to accommodate the consultancy honorariums; and to support the reclassification of the local staff post from team assistant (GS4) post to research assistant (GS5) post.

II. THE STATUS OF THE PROJECT-BASED FUND

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

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

9. The SOM-23 endorsed the project including three components; (1) transboundary cooperation between the Northeast Tiger and Leopard National Park (TLNP) of China and the Land of the Leopard National Park (LLNP) of the Russian Federation to conserve Amur tigers and leopards; (2) transboundary cooperation between neighboring protected areas in Lesser Khingan Mountains to conserve Amur tigers; and (3) the assessment of two snow leopard subpopulations in the transboundary areas between Mongolia and the Russian Federation, with the total contribution of US\$ 377,081 from the Russian Federation (Table 4). The project period was initially from January 2020 to September 2022, but the Government of the Russian Federation approved an extension by August 2023 to complete all planned activities.

Table 4. NEASPEC NC Project-Financial Statement

As of 31 July 2023

	2023	2022	2021
			(In US Dollars)
Beginning Fund Balance	163,179	270,537	270,260
<u>Income</u>			
Contributions received	0	0	0
Interest Income	0	1,122	277
	0	270,537	270,537
<u>Less:</u> Expenditures and commitments	(11,334)	(108,480)	0
Ending Fund Balance ending period	151,845	163,179	270,537

Table 5. Status of NC Project Budget and Expense (preliminary)*As of 31 July 2023**(In US Dollars)*

Descriptions	Budget (A)	Expenses and Commitments				Total Committed Expense (F= B+C+D+E)	Balance (A)-(F)
		2020 (B)	2021 (C)	2022 (D)	2023 (E)		
Staff and other personnel costs	10,000	0	0	0	10,030	10,030	-30
Contractual services	57,000	0	0	0	0	0	57,000
Operating expenses	1,000	0	0	0	0	0	1,000
Transfers and grants	212,000	14,014	85,986	96,000	0	196,000	16,000
Travel	53,700	0	0	0	0	0	0
Sub-total	333,700	14,014	85,968	96,000	10,030	206,030	127,670
Programme support costs (13%)	43,381	1,822	11,178	12,480	1,304	26,784	16,597
TOTAL	377,081	15,836	97,164	108,480	11,334	232,814	144,267*

Remark: *The balance of US\$144,267 excludes interest earned.

10. The major activities in January 2020-July 2023 with key expenditures up to the date of the report include the following:

- (a) On project component 1: “Transboundary cooperation between the Northeast Tiger and Leopard National Park (TLNP) of China and the Land of the Leopard National Park (LLNP) of the Russian Federation to conserve Amur tigers and leopards”: Out of the contract amount of US\$96,000 for the LOA with LLNP, US\$85,400 was paid to LLNP for project implementation activities. The remaining amount of the contract is pending for submission of the final financial report by LLNP.
- (b) On project component 2: “Sino-Russian transboundary protected areas and feasibility study in Lesser Khingan Mountains to conserve Amur tigers”: The committed contract amount of US\$50,000 for the LOA with the WWF Russia (Amur branch) and the Feline Research Center of China has been released (US\$25,000, respectively).
- (c) On project component 3: “Assessment of the current status of two snow leopard subpopulations in Transboundary are between Mongolia and the Russian Federation”: The committed contract amount of US\$50,000 for the LOA with the Irbis Mongolia Center and the WWF Russia (Altai-Sayan branch) has been released (US\$25,000, respectively).

(d) Project evaluation: consultancy contract. Out of US\$10,000, U\$3,000 was paid to the evaluator and the remaining fee is pending for the finalization of evaluation report.

III. IN-KIND CONTRIBUTIONS FROM PARTNERS AND OTHERS

11. During the past budget period, the Secretariat obtained additional financial and in-kind support from project partners through joint activities or collaboration. Table 6 details in-kind contributions that the Secretariat received in 2022-2023. In addition to the activities listed in the table, the Secretariat has collaborated with various project partners in member States for project implementation. Those partners include, but are not limited to, the Ministry of Environment and Tourism (Mongolia), the National Air Emission Inventory and Research Center (ROK), Incheon and Seoul City Governments (ROK), National Institute of Environmental Research (ROK), Korea Environment Corporation, Green Climate Fund (GCF), Institute for Global Decarbonization Progress (iGDP), ICLEI East Asia Secretariat, Incheon Carbon Neutrality Center (ROK), CityNet, Climate Change Center and Local Government Association for Climate and Energy Transition (ROK).

Table 6. In-kind contributions received for joint activities in 2022-2023

	Activity	Date and venue	Partner	In-kind contribution
North-East Air Clean Air Partnership (NEACAP)	a. High-Level Forum on Clean Air	2-3 March 2023, Ulaanbaatar, Mongolia	<ul style="list-style-type: none"> • Ministry of Environment and Tourism, Mongolia and • ESCAP Environment and Development Division 	Venue, Human resources, and logistical support
	b. NEACAP Symposium on Air Pollutant Emissions Inventory and Air Quality Management	7 September 2023, Seoul, ROK	<ul style="list-style-type: none"> • National Air Emission Inventory and Research Center, ROK 	Venue, Human resources, and logistical support
	c. Study tour on Innovative Technologies and good practices for air pollution control for city officials of Bangladesh, India and Thailand	18-21 September 2023, Incheon & Seoul, ROK Incheon City, ROK	<ul style="list-style-type: none"> • Seoul City, ROK • Incheon City, ROK • National Institute of Environmental Research, ROK • Korea Environment 	Venue, lectures, and facilitation of site visits

			Corporation	
Project "Transboundary cooperation on the conservation of Amur tigers, Amur leopards and Snow leopards in North-East Asia"	2020-2022		<ul style="list-style-type: none"> • Land of Leopard National Park (Russian Federation) • Feline Research Center of China • WWF Russia • Irbis Mongolia Center 	Human resources, administrative and logistical support
International Forum on Low Carbon Cities	6-8 December 2022 and 29 August 2023		<ul style="list-style-type: none"> • Incheon Metropolitan City, ROK • Green Climate Fund • Incheon Carbon Neutrality Center • ICLEI East Asia Secretariat • Institute for Global Decarbonization Progress • CityNet • Climate Change Center • Local Government Association for Climate and Energy Transition 	Venue, Human resources, and logistical support
DLD- Expert group meeting on desertification and land degradation and climate change: subregional approaches and activities	19-20 June 2023, Ulaanbaatar, Mongolia		<ul style="list-style-type: none"> • Ministry of Environment and Tourism, Mongolia 	Venue, Human resources and logistical support

IV. ISSUES FOR CONSIDERATION

12. 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.

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

14. The Meeting may wish to accept the financial report and approve the proposed revised budget plan for the project period of 2021-2025 (Table 3).

.....