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The Twelfth Senior Officials Meeting (SOM) of NEASPEC

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Beijing, China

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

**REPORT ON THE NEASPEC CORE FUND**

*Note by the Secretariat*

## I. THE EXPENDITURE OF THE CORE FUND: 2005-2006

1. Since the establishment of the Core Fund in 2001, NEASPEC has been able to accumulate its own financial resources and utilize the resources for the member-driven project "Nature Conservation Project" during the biennium 2005-2006.

2. The accumulated available balance carried over to the biennium 2005-2006 was US\$ 565,742.93. During the current biennium, two member countries, namely China and the Republic of Korea, made the contribution of US\$ 199,955.82 to the Core Fund.

**[Table 1] Statement of NEASPEC Core Fund: 2005-2006**

<b>Budget Items</b>	<b>Amount (US\$)</b>
<b>REVENUE</b>	
Balance brought forward from 2004	565,742.93
Contribution from the member countries*	199,955.82
Interest Income	10,767.75
<b>Total Revenue</b>	<b>776,466.5</b>
<b>ALLOCATED BUDGET FOR PROJECTS</b>	
Secretariat	149,838.00
Nature Conservation Project	367,815.00
<b>Total Budget</b>	<b>517,653.00</b>
<b>Total Balance of Unallocated Resources</b>	<b>258,813.5</b>

\* China: \$49,970 in 2005 and \$49,985 in 2006; the ROK, \$100,000 in 2006.

3. The following budget of the Nature Conservation Project was submitted to the 10<sup>th</sup> SOM for the approval and subsequently to the 11<sup>th</sup> SOM for the review of additional revision, which was made to incorporate the component of pilot projects based on the decision of the project's inception meeting. Grants were provided to all national collaborating centres except for DPRK to support the basic costs for their contribution to the project.

4. As awareness materials need to include the "Nature Conservation Strategy" to be adopted at the 12<sup>th</sup> SOM, the budget (consultant and printing) for the component will be executed in 2007.

5. The Secretariat has made efforts for cost-efficient implementation of the project and

expects to save US\$52,332 from the initial budget. Thus, about US\$73,332 including US\$21,000 of interest revenue will be transferred to the Core Fund account when the project is closed in mid 2007.

**[Table 2] Financial Statement of the Nature Conservation Project**

<b>Budget Items</b>	<b>Budget (US\$)</b>	<b>Expenditure: 2005-2006</b>	<b>Expenditure Plan: 2007</b>	<b>The remainder</b>
Project staff/ assistants	24,000	9,000		
Consultant for awareness materials	12,000	0	12,000	
Staff travel	10,000	4,843		
Subcontractors/grants	100,000	88,000	12,000	
Pilot projects	75,000	75,000		
Meetings	85,000	63,387		
Equipments	7,000	6,851		
Printing costs	10,000	0	5,000	
Sundry	2,500	2,294	813	
PSC	42,315	32,419	3,876	
<i>Total</i>	<i>367,815</i>	<i>281,794</i>	<i>33,689</i>	<i>52,332</i>
<i>Interest income*</i>				<i>21,000</i>
<b>Total Balance</b>	<b>367,815</b>	<b>281,794</b>	<b>33,689</b>	<b>73,332</b>

\* Estimated income as of the mid 2007

6. The following budget of the NESPEC Secretariat includes budgets for the operation of the Secretariat office, development of new activities through conducting research and organizing expert group meetings, and the organization of SOMs.

7. The Secretariat hired consultants for assisting secretariat work including documenting all meetings and activities of NEASPEC and upgrading the NEASPEC website. In addition, consultants were hired for the preparation of a paper on eco-efficiency in North-East Asia.

8. The budget for meetings includes costs for two EGMs held in conjunction with 11<sup>th</sup> and 12<sup>th</sup> SOMs and the EGM on eco-efficiency in Beijing. And the outcome of the EGM on eco-efficiency and additional desk study will be published early next year.

9. The Secretariat would be able to save US\$36,117 from the initial budget so that about US\$44,117 including US\$8,000 of interest revenue will be returned to the Core Fund account.

**[Table 3] Financial Statement of the NEASPEC Secretariat**

<b>Budget Items</b>	<b>Budget (US\$)</b>	<b>Expenditure: 2005-2006</b>	<b>Expenditure Plan: 2007</b>	<b>The remainder</b>
Project staff/ assistants	5,600	4,200		
Consultants	50,000	24,836		
Staff travel	15,000	11,453	**5,000	
Meetings	50,000	32,297	14,000	
Printing Costs	8,000	0	5,000	
Sundry	4,000	1,810	1,755	
PSC	17,238	10,022	3,348	
<i>Total</i>	<i>149,838</i>	<i>84,618</i>	<i>29,103</i>	<i>36,117</i>
<i>Interest Income*</i>				<i>8,000</i>
<b>Total Balance</b>	<b>149,838</b>	<b>84,618</b>	<b>29,103</b>	<b>***44,117</b>

\* Estimated income as of the mid 2007

\*\* Requires the transfer of the budget from other budget line (consultant line)

## II RESOURCES FOR THE NEXT BIENNIUM: 2007-2008

10. As the table 4 shows, it is estimated that about US\$376,262 will be carried over to the next biennium. Considering the previous financial contribution of the member countries, it is expected to receive the contribution of US\$200,000~300,000 from member countries to the Core Fund. Thus, the total resources for the biennium 2007-2008 would be US\$576,262 ~ 676,262.

11. The budget plan for the next biennium is provided in the separate document, "Budget Planning for the Next Biennium", prepared for the Agenda Item 8(b).

**[Table 4] Resources Carried Over to 2007-2008**

<b>Items</b>	<b>Amount (US\$)</b>
Balance brought forward from unallocated Resources	258,813
Balance brought forward from the two Project Accounts	117,449
<b>Total Available Resources</b>	<b>376,262</b>

### III ISSUES FOR CONSIDERATION

12. The Meeting may wish to accept the report on the NEASPEC Core Fund.
13. The Meeting may wish to express the appreciation to the member countries' contribution to the Core Fund and request for continuing commitments of the member countries.

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