

The Twenty-first Session of the Intergovernmental Meeting
on the Acid Deposition Monitoring Network in East Asia
12-13 November 2019, Beijing, China

Financial Report of the Secretariat and the Network Center in 2018

I. INTRODUCTION

1. This report presented the financial report of the Secretariat and the Network Center in 2018. In principle, the budget and expenditures of the Secretariat and the NC in 2018 were based on the Work Programme and Budget of the EANET in 2018 approved at the Nineteenth Session of the Intergovernmental Meeting (IG19) on the EANET in 2017 in Siem Reap, Cambodia.

II. ACTIONS REQUIRED

2. The Twenty-first Session of the Intergovernmental Meeting on the EANET (IG21) is invited to review the Financial Report of the Secretariat and the NC in 2018 and may wish to discuss, consider, provide guidance, and endorse the report, as appropriate.

Financial Report of the Secretariat and the Network Center in 2018

I. INTRODUCTION

1. This report presented the financial report of the Secretariat and the Network Center in 2018. In principle, the budget and expenditures of the Secretariat and the NC in 2018 were based on the Work Programme and Budget of the EANET in 2018 approved at the Nineteenth Session of the Intergovernmental Meeting (IG19) on the EANET in 2017 Siem Reap, Cambodia.

II. FINANCIAL REPORT OF THE SECRETARIAT IN 2018

2. The Financial report of the Secretariat in 2018 was prepared based on the Work Programme and Budget of the EANET in 2018 which includes the financial contribution received for 2018 and the disbursement made from the 2018 Secretariat budget.
3. The budget of the Secretariat in 2018 to implement its 2018 Work Programme under the new arrangements of the Secretariat for the EANET at UN Environment decided by the Fifteenth Session of the Intergovernmental Meeting (IG15) on the EANET in 2013 and the Framework between the United Nations Environment Programme and the Acid Deposition Monitoring Network in East Asia (EANET) on Arrangements for UNEP's Provision of Secretariat Services to the EANET. The grand-total Secretariat budget in 2018 approved by IG19 is US\$ 634,500.

II-1 Voluntary Financial Contributions from the Participating Countries

4. The total voluntary financial contributions received from the participating countries to the Secretariat budget in 2018 were US\$ 500,752. Detailed financial contributions received from the participating countries in 2018 are as follows: Cambodia (US\$ 200), China (US\$ 97,773), Japan (US\$ 248,974), Malaysia (US\$ 8,284), Mongolia (US\$ 200), Myanmar (US\$ 240), Philippines (US\$ 4,244), Republic of Korea (US\$ 52,432), Russia (US\$ 79,427), Thailand (US\$ 7,485), and Viet Nam (US\$ 1,493). List of Voluntary Financial Contributions to the Secretariat Budget in 2018 from the Participating Countries is presented in Table 1.a. of Annex 1.
5. In 2018, in line with Decision of IG15 and Work Plan and Budget of the Secretariat in 2018 approved by the IG19, the Secretariat utilized in-kind cash contribution to Secretariat budget from China as much as US\$ 106,000 to recruit a 1-year technical consultant to work at the Secretariat.
6. Viet Nam made an in-kind contribution to EANET Secretariat by providing dinner reception for the SAC18 Meeting in Hanoi, Viet Nam. China, Japan, Indonesia, and Russia made in-kind contributions by fully or partially covering the costs of their participants attending the IG20. The Secretariat also received in-kind support from UNEP to cover most of the personnel costs of UNEP staff involved in supporting EANET, including technical staff and communications team. List of In-kind Contribution received by the Secretariat in 2018 is presented in Table 1.b. of Annex 1.

7. To ensure smooth implementation of EANET activities, the Secretariat strongly encourage participating countries to submit their contribution in as soon as possible at the beginning of the year in full amount as per expected amount of the contributions.

II-2 Expenditures

8. The total expenditures and commitments of the Secretariat for the EANET in 2018, including programme support cost is US\$ 476,469. Total expenditures for the implementation of a 1-year technical consultant to support the Secretariat in 2018 is US\$ 77,510. The grand-total expenditures of the Secretariat in 2018 including the expenses for a 1-year technical consultant is US\$ 553,979. Detail information on expenditures is presented in Table 2.a, Table 2.b, Table 2.c, Table 2.d and Table 2.e of Annex 1.
9. In 2018, a small-scale funding agreement between UNEP and RRC.AP was signed by following the Decision of IG15. Under this SSFA, RRC.AP provides support to the Secretariat in implementation of activities including in convening the Eighteenth Session of the Scientific Advisory Committee (SAC18) in October 2018, and the IG20 in November 2018. RRC.AP allocated one programme officer and one administrative assistant to support the Secretariat in implementing EANET activities. The certified interim financial statement of RRC.AP as of December 2018 is presented in Table 1 of Annex 2.
10. The Secretariat also made a small-scale funding agreement between UNEP and the Japan Environment and Sanitation Center (JESC), the parent organization of Asia Center for Air Pollution Research (ACAP) as the Network Center (NC) to support the implementation of the EANET Research Fellowship Programme in 2018 with the amount of US 20,000.

III. FINANCIAL REPORT OF THE NETWORK CENTER (NC) IN 2018

11. The NC's budget in 2018 was estimated to be US\$ 398,500 for the core budget activities and US\$ 543,000 for the additional budget activities.

III-1 Balance between Revenue and Expenditures

12. The actual total revenue, total expenditures and the balance between revenue and expenditure of the NC in 2018 are shown in Table 1 of Annex 3.

III-2 Revenue for the NC

13. The Actual total revenue including a voluntary financial contribution from the participating countries of the NC in 2018 is shown in Table 2 of Annex 3 and the Table of the Contributions from the participating countries for the NC Core Budget in 2018. All of the voluntary financial contributions from the participating countries to the NC in 2018 were transferred to the Japan Environmental Sanitation Center (JESC) bank account directly.

14. Table 2 of Annex 3 also shows other revenue of the NC in 2018 amounting to US\$ 110,364 based on the financial support from the Niigata Prefecture including rental fee of the ACAP building.

III-3 Actual Expenditures of the NC Core and Additional Budget Activities, etc.

15. The actual expenditures of the NC core and additional budget activities of each activity item in 2018 are shown in Table 3 and 4 of Annex 3 respectively. The amounts of expenditures were US\$ 340,760 for the core budget activities and US\$ 558,053 for the additional budget activities.
16. The actual total expenditures of the NC core budget were not above the estimated budget (US\$398,500) and the NC additional budget did not exceed the estimated budget. There are some items in Table 3 and Table 4 of Annex 3 that the estimated budget and the actual expenditures were different. The reasons of the differences are shown as follows:

[Table 3 (Expenditures of the Core Budget Activities)]

- (1) Monitoring of Acid deposition
 - Cost saved on traveling and communication
- (2) Strengthening current monitoring
 - Overlapped matters with other projects than EANET activities were covered by the project (PMTT/IBAQ project). Cost saved on traveling and communication
- (3) Administrative Cost
 - Depreciation and outsourcing fees (part-time clerk) have exceeded the original estimate.

[Table 4 (Expenditures of the Additional Budget Activities)]

- (1) Strengthening current monitoring
 - Cost saved on traveling and communication
- (2) Promotion of activities other than monitoring
 - Expenses for Research and Studies were saved.

Annex 1

Table 1.a. Voluntary Financial Contributions to the Secretariat Budget in 2018 from the Participating Countries

Countries	Voluntary Contribution in 2018	
	Expected	Actual
Cambodia ^a	105	200
China	203,730	97,773
Indonesia	12,962	-
Japan	248,974	248,974
Lao PDR ^a	74	-
Malaysia	8,284	8,284
Mongolia ^a	130	200
Myanmar	260	240
Philippines	4,244	4,244
R.of. Korea	52,432	52,432
Russia	79,427	79,427
Thailand	7,485	7,485
Viet Nam	1,493	1,493
Total Contribution	619,600	500,752

Note: a. The minimum amount of voluntary financial contribution is US\$ 200 as recommended and specified in the Procedures for Financial Contributions to the EANET Trust Fund to support the Activities of the Acid Deposition Monitoring Network in East Asia for the new Secretariat arrangements at UNEP.

Table 1.b. List of In-kind Contribution Received by the Secretariat in 2018

Source	Form of In-kind Contribution
China	<ul style="list-style-type: none"> 1-year technical consultant to support Secretariat as much as US\$ 106,000 Self-funded four participants of China attending the IG20
Indonesia	Partially covered two of its participants attending the IG20 (travel)
Japan	Fully covered one of its participant attending the IG20
Russia	Fully covered one of its participant attending the IG20, partially cover one participant (travel)
Viet Nam	Covered Dinner Reception of the SAC18
UNEP	Covered personnel costs (staff time) of technical and communications staff that supported EANET Secretariat on ad-hoc basis.

**Table 2.a - Interim Certified Financial Statement of EANET Secretariat
for the Period of 01 January to 31 December 2018 (in US\$)**

Items	Budget	Expenditure
1. Personnel Cost		
1.1. Personnel costs	179,200	162,308
1.2. Consultant ^a		5,674
Sub-total	179,200	167,982
2. Travel		
2.1. Travel of Secretariat staff	20,000	8,965
2.2. Other travels directly managed by the Secretariat ^b		11,541
Sub-total	20,000	20,506
3. Contractual services		
3.1. Contractual services directly managed by the Secretariat for meetings, printing, etc.	42,300	227
Sub-total	42,300	227
4. Grants for implementing partners		
4.1. Session of the Scientific Advisory Committee (SAC)	105,000	109,505
4.2. Session of the Intergovernmental Meeting (IG)	95,000	89,330
4.3. Mid-Term Review of the MTP (2016-2020)	30,000	
4.4. Science and Policy Dialogue	40,000	
4.5. Research Fellowship Programme in 2018	20,000	15,000
4.6. Publications and Report ^c	15,000	
Sub-total	305,000	213,835
5. Operating and other direct costs		
5.1. Operating and other direct costs including office supplies and communications.	15,000	19,105
Sub-Total	15,000	19,105
6. Programme Support Cost	73,000	54,815
Grand total	634,500	476,469

Note: a. Included expenses in 4.3. Mid-Term Review of the MTP (2016-2020)

b. Included expenses in 4.4 Science and Policy Dialogue

c. Included expenses in 4.1 SAC and 4.2. IG

Table 2.b - Financial Statement of in-kind cash contribution from China for a 1-year technical consultant to support Secretariat for the EANET in 2018 (in US\$)

Items	Budget
1. Personnel Cost	
1.1. Personnel costs	
1.2. Consultant	60,000
Sub-total	60,000
2. Travel	
2.1. Travel of Consultant	2,193
2.2. Other travels directly managed by the Secretariat	
Sub-total	2,193
3. Contractual services	
3.1. Contractual services directly managed by the Secretariat for meetings, printing, etc.	400
Sub-total	400
4. Operating and other direct costs	
4.1. Operating and other direct costs including office supplies and communications.	6000
Sub-Total	6000
5. Programme Support Cost	8,917
Grand-total	77,510

Table 2.c - Balance between Revenues & Expenditures in 2018 (in US\$)

Items	Revenue	Expenditures
1. Balance carried forward from the previous years ^a	968,519	
2. Outstanding Receivable ^b	6,696	
3. Exchange rate (loss)/gain	(4)	
4. Voluntary Contributions of the participating countries ^b	489,023	483,468
5. In-kind Contribution from China	106,000	77,510
Sub-total	1,553,842	553,977
Total Balance		1,002,863

Note:

a. The difference in comparison to 2017 ending balance is due to the contribution balance being reflected on a cash receipt basis from 2018 onwards to comply with new Umoja reporting standards. Majority of the difference comes from cash transferred out to Network Center, and China in 2018.

b. The difference of US\$ 11,729 is due to the contribution receipt recorded in different year of the intended contribution year.

c. Work Programme and Budget in 2019 is US\$ 723,200, utilized starting from early 2019 and taken from the total above balance.

**Table 2.d. Scanned Copy of Original Letter of Interim Certified Financial Statement of
EANET Secretariat for the Period of 01 January to 31 December 2018**

M1-32CPL0-000284 - Acid Deposition Monitoring Network in East Asia (EANET)
Interim Certified Financial Statement for the period of 01 January 2018 to 31 December 2018
 (Expressed in US dollars)

Items	Budget	Expenditure and Commitment
1. Personnel Costs		
1.1 Personnel costs	179,200	162,308
1.2 Consultant (a)		5,674
Sub-total	179,200	167,982
2. Travel		
2.1 Travel of Secretariat staff	20,000	8,965
2.2 Other travels directly managed by the Secretariat (b)		11,541
Sub-total	20,000	20,506
3. Contractual services		
3.1 Contractual services directly managed by the secretariat for meetings, printing, etc.	42,300	227
Sub-total	42,300	227
4. Grants for implementing partners		
4.1 Session of the Scientific Advisory Committee (SAC)	105,000	109,505
4.2 Session of the Intergovernmental Meeting (IG)	95,000	89,330
4.3 Mid-Term Review of the MTP (2016-2020)	30,000	
4.4 Science and Policy Dialogue	40,000	
4.5 Research Fellowship Programme 2018	20,000	15,000
4.6 Publications and Report (c)	15,000	
Sub-total	305,000	213,835
5. Operating and other direct costs		
5.1 Operating and other direct costs including office supplies equipment and communications	15,000	19,105
Sub-total	15,000	19,105
Programme Support Cost	73,000	54,815
Grand Total	634,500	476,469

Remark:

(a) Included expense in 4.3 Mid-Term Review of the MTP (2016-2020)

(b) Included expenses in 4.4 Science and Policy Dialogue

(c) Included expenses in 4.1 SAC and 4.2 IG

Certified by



Mohamed Elharati
 Admin and Finance Officer
 Asia and the Pacific Office
 UN Environment

Date:

20/09/2019

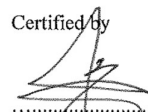
Table 2.e. Scanned Copy of Original Letter of Interim Certified Financial Statement for the In-kind Contribution from China for a 1-year Technical Consultant to Support the Secretariat in 2018

M1-32CPL-000284 - Acid Deposition Monitoring Networks in East Asia (EANET)
Interim Certified Financial Statement for the In-Kind Contribution from China
for the period 01 January 2018 to 31 December 2018
(Expressed in US dollars)

Items	Expenditure and Commitment
1. Personnel Costs	
1.1 Personnel costs	
1.2 Consultant	60,000
Sub-total	60,000
2. Travel	
2.1 Travel of Consultant	2,193
2.2 Other travels directly managed by the Secretariat	
Sub-total	2,193
3. Contractual services	
3.1 Contractual services directly managed by the secretariat for meetings, printing, etc.	400
Sub-total	400
4. Operating and other direct costs	
4.1 Operating and other direct costs including office supplies equipment and communications	6,000
Sub-total	6,000
5. Programme Support Costs	8,917
Grand Total	77,510

**There is an additional 10,000 USD Consultant Expenditure incurred in 2018 that is reported under personnel cost of the Secretariat budget and this cost will be adjusted to China account in 2019*

Certified by



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Mohamed Elharati
Admin and Finance Officer
Asia and the Pacific Office
UN Environment

Annex 2

Table 1. Scanned Copy of Original Letter of Certified Interim Financial Statement of RRC.AP/AIT under small-scale funding agreement between UNEP and AIT in 2018 (in US\$)

FINANCIAL STATEMENT (IN US DOLLARS)			
SSFA/AIT/UNEP/2018			
P1-33CPL-001075/M1-32CPL-000284/32CPL/M99/11228/14AC0004/SB-001023.03.06			
BP: 1500001466			
For the period of 3 October 2018 – 31 December 2018			
Starting date: 3 October 2018		Ending Date: 31 December 2018	
Description	Budget (A)	Expenditure (B)	Budget Balance (C) = (A) - (B)
1. Staff and other personnel costs	62,030	62,030	-
1.1 SAC17	31,015	31,015	
1.2 IG19	31,015	31,015	
2. Travel	68,180	47,573	20,607
2.1 SAC17	36,612	30,347	
2.2 IG19	31,568	17,226	
3. Contractual Services	45,150	35,634	9,516
3.1 SAC17	28,980	21,122	
3.2 IG19	16,170	14,512	
4. Supplies, commodities, materials	600	600	-
4.1 SAC17	300	300	
4.2 IG19	300	300	
5. General operating costs	22,875	18,959	3,916
5.1 SAC17	12,598	10,762	
5.2 IG19	10,277	8,197	
Total	198,835	164,796	34,039

Summary

First Installment (13 November 2018) 150,809

Less Expenditure (164,796)

Balance (13,987)

I hereby certify, that the above figures have been received and accepted and are in accordance with the referred agreement; are in accord with the purpose(s) for which the relevant allotment was approved; can be met from the available balance of the relevant allotment(s) with due regard to foreseeable future commitments.

Certifying officer (signature)
Mohamed Elharati

Name of certifying officer

24/19

Prepared by:

Naharuethai

Naharuethai Supakarn
Programme Specialist, RRC.AP
Date: 21 MARCH 2019

Submitted by:

Naoya Tsukamoto

Naoya Tsukamoto
Director, RRC.AP
Date: 21 MARCH 2019

Annex 3

**FINANCIAL STATEMENT OF THE NETWORK CENTER
JANUARY - DECEMBER 2018**

Table 1 - Balance between Revenues and Expenditures in 2018

Items	Revenues (US \$)	Expenditures (US \$)	Balance (US \$)
1. Core budget	351,090	340,760	10,330
2. Additional budget	570,175	558,053	12,122
3. Others	110,364	110,364	0
Total	1,031,629	1,009,177	22,452

Table 2 – Revenues for the Network Center in 2018 (Financial Contributions, etc.)

Organizations/Purpose	Revenue (US\$)			
	Core budget	Additional budget	Others	Total
1. Core budget Participating countries	351,090			351,090
2. Additional budget				
(1) RRC.AP through contract (Fellowship)		20,000		20,000
(2) MOE, Japan (Contribution)		330,675		330,675
(3) MOE, Japan (Contract)		215,000		215,000
(4) Niigata Prefecture (Support for EANET meetings)		3,000		3,000
(5) Niigata City (Support for EANET meetings)		1,500		1,500
3. Others Niigata Prefecture (Support for NC activities)			110,364	110,364
Total	351,090	570,175	110,364	1,031,629

***Contributions from the participating countries for the NC core budget in 2018**

Name of country	Contribution (US\$)	Name of country	Contribution (US\$)
Cambodia	200	Philippines	2,836
China	136,127	Russia	53,071
Japan	153,145	Thailand	4,315
Mongolia	200	Vietnam	998
Myanmar	198	Total	351,090

Table 3 - Expenditures of the Network Center in 2018 (Core Budget Activities) (US\$)

Activity item	Budget			Expenditures		
	Direct expenses	Personnel costs	Total	Direct expenses	Personnel costs	Total
1. Monitoring of acid deposition	55,000	95,000	150,000	33,214	94,806	128,020
- Continuation and improvement of EANET monitoring	5,000	20,000	25,000	0	19,959	19,959
- Development/revision of guidelines, technical manuals and strategy paper	0	10,000	10,000	0	9,980	9,980
- Implementation of QA/QC activities	20,000	20,000	40,000	21,214	19,959	41,173
- Management of data and maintenance of the database	5,000	30,000	35,000	3,262	29,938	33,200
- Upgrading of the EANET website	5,000	5,000	10,000	1,910	4,990	6,900
- Upgrading of the data management system in the NC	20,000	10,000	30,000	6,828	9,980	16,808
2. Strengthening current monitoring	15,000	30,000	45,000	0	29,939	29,939
- Promotion of the monitoring of ozone and PM2.5	15,000	25,000	40,000	0	24,949	24,949
- Capacity building activities for ozone and PM2.5 monitoring and meteorological parameters	0	5,000	5,000		4,990	4,990
3. Promotion of activities other than monitoring						
4. Policy relevant information	0	10,000	10,000	1,412	9,980	11,392
- Periodic assessment of the state of acid deposition	0	10,000	10,000	1,412	9,980	11,392
- Preparation of periodic assessment reports on the state of acid deposition in East Asia	0	0	0	0	0	0
5. Public awareness						
6. Enhancement of Intergovernmental Cooperation	116,000	70,000	186,000	32,958	69,856	102,814
- Arrangements for the EANET Sessions	116,000	65,000	181,000	32,631	64,866	97,497
- Review of the arrangements of the EANET Secretariat and the NC(s) and setting up of a	0	2,500	2,500	327	2,495	2,822

new network center						
- Conduct Mid-Term Review of the MTP for the EANET(2016-2020), and revision of the MTP for the EANET(2016-2020) if necessary	0	2,500	2,500	0	2,495	2,495
7. Enhancement of Cooperation and Collaboration		7,500	7,500		7,485	7,485
Sub Total	186,000	212,500	398,500	67,584	212066	279,650
Administrative Cost				61,110		61,110
Grand Total	186,000	212,500	398,500	128,694	212,066	340,760

Table 4 - Expenditures of the Network Center in 2018 (Additional Budget Activities) (US\$)

Activity item	Budget			Expenditures		
	Direct expenses	Personnel costs	Total	Direct expenses	Personnel costs	Total
1. Monitoring of Acid deposition	62,500	52,500	115,000	41,917	52,392	94,309
- Promotion of capacity building and technical support of participating countries	62,500	52,500	115,000	41,917	52,392	94,309
2. Strengthening current monitoring	22,000	15,000	37,000	0	14,969	14,969
- Capacity building activities for ozone and PM2.5 monitoring and meteorological parameters	22,000	15,000	37,000	0	14,969	14,969
3. Promotion of activities other than monitoring	148,000	130,000	278,000	107,764	129,734	237,498
- Information exchange on clean air technologies and regional impact assessment through workshops, seminars, etc.	30,000	15,000	45,000	45,855	14,969	60,824
- Research and technical cooperation on emission inventory	0	15,000	15,000	0	14,969	14,969
- Research activities on regional impact assessment and EC and OC	30,000	20,000	50,000	5,426	19,959	25,385
- Studies on the applicable measurement methodologies	15,000	10,000	25,000	10,860	9,980	20,840
- Fellowship research programme	18,000	10,000	28,000	11,830	9,980	21,810
- Studies on the effects of acid deposition and other priority chemical species	20,000	20,000	40,000	14,520	19,959	34,479
- Promotion of studies on models	35,000	40,000	75,000	19,273	39,918	59,191
4. Policy relevant information						
5. Public awareness	3,000	15,000	18,000	1,980	14,969	16,949
- Promotion of public awareness	3,000	15,000	18,000	1,980	14,969	16,949
6. Enhancement of Intergovernmental Cooperation						
7. Enhancement of Cooperation and	0	5,000	5,000	11,094	4,990	16,084

Collaboration						
- Sharing information on atmospheric environment and policy recommendations to policy makers		5,000	5,000	11,094	4,990	16,084
Sub Total	235,500	217,500	453,000	162,755	217,054	379,809
Administrative Cost		90,000	90,000	88,430	89,814	178,244
Grand Total	235,500	307,500	543,000	251,185	306,868	558,053