

The Third Session  
of the Intergovernmental Meeting  
on the Acid Deposition Monitoring Network  
in East Asia  
19-20 November 2001, Chiang Mai, Thailand

Further financial arrangement for EANET (DRAFT)

1. Based on the agreement at the First Session of the Intergovernmental Meeting (IG1) for the Acid Deposition Monitoring in East Asia (EANET), during the preparatory phase the Government of Japan mostly covered the operational costs for the Interim Secretariat (IS) and the Interim Network Center (INC) on a voluntary basis. Relevant local governments and organizations also made contributions for INC and relevant EANET activities. Host countries also contributed to cover the costs of meetings.

2. Also based on the agreement at IG1, each participating country implemented their national monitoring by their own expenses during the preparatory phase.

3. At their discussion towards regular-phase monitoring, the participating countries discussed financial issues for the Network activities. Decision 2/IG.2 at the Second Session of the Intergovernmental Meeting (IG2) "encourages the participating countries to make voluntary financial and in-kind contributions to the activities of EANET, including secondment of staff to the Secretariat and/or the Network Center" (paragraph 4). It also "invites other relevant organizations to make contributions" (paragraph 5). Decision 4/IG.2 "encourages the host country of the Network Center to make financial and in-kind contribution for the Network Center activities in line with the proposal by the Government of Japan to host the Network Center" (paragraph 3).

4. In the Joint Announcement on the Implementation of EANET (EANET/IG 2/5/2 rev), which was agreed at IG2, it is described that

"The network requires constant financial and in-kind contributions. All the participating countries are encouraged to make continuous voluntary contributions to support the network activities" (paragraph 5).

5. The Tentative Design of EANET (EANET/IG 2/5/3) describes that "The administrative and operational costs of national monitoring within each country will be borne by each country. The administrative and operational costs of the Network will be financed voluntary contributions by the participating countries, while efforts should be made to mobilize existing funding sources and seek new ones." (paragraph 11)

6. Work Program and Budget in 2001 for EANET (EANET/IG 2/7/2) describes the estimated budget as follows:

- (1) The cost estimate of the budget required for the activities of the Interim Secretariat in 2001 is shown in Attachment 1. This is estimated on condition that UNEP would start to operate as the Secretariat provisionally at the beginning of 2002, and that this budget would be borne by the Ministry of Environment of Japan. Attachment 1 also shows a provisional estimate of the annual budget for the Secretariat in 2002, which should be financed by voluntary contribution by the participating countries (paragraph 43).
- (2) The budget required for the activities of the Network Center is estimated and presented in Attachment 2 and 3. In this table, the budget is divided into two parts, i.e. core budget and additional budget. Both parts will be financed by voluntary contribution of the participating countries. The core budget describes the cost for providing the minimum basis indispensable for promoting the Network activities, such as data management and QA/QC. The additional budget describes the cost for strengthening the Network activities by providing technical assistance to the participating countries and promoting further research activities (paragraph 44).

- (3) The participating countries are encouraged to support the Secretariat and the core budget of the Network Center by making cash contribution to the trust fund, which will be established within UNEP, following a decision made by the Third Session of the Intergovernmental Meeting (IG3)(paragraph 45).
- (4) The participating countries are also encouraged to support the additional budget of the Network Center by providing necessary fund to the Network Center (paragraph 46).

7. The Government of Japan expressed its willingness to contribute to the budget in 2001, assuming that the trust fund might not be established in early stage of 2001 and that IS would continue its activities until the end of the year. It, however, called for other participating countries to make necessary arrangements to contribute to the budget in 2002, assuming that the trust fund be established in time for contribution to the budget in 2002.

8. UNEP proposed, in its document on the "Proposal for the Establishment of the Secretariat for EANET" (EANET/IG 3/7) that:

- Finance: In the Initial Stage, it is proposed that UNEP RRC.AP/AIT mechanism be utilized. The proposed budget that will need approval and allocation for the period is USD 721,064.30 using the proposed UN rates and USD 404,365.50 using the proposed UNEP RRC.AP rates. This includes initial cost of equipment i.e. fax machine, copies, computers, office furniture, supplies and materials, and personnel salaries. For initial cash flow, the Secretariat may draw from the UNEP.RRC.AP/AIT reserve fund, till the Secretariat funds are made available. (paragraph 3.7); and
- Following Stage: Discussions on the long-term issues to be discussed (organization, staff, and funding), particularly a possibility to move to UN scale and management will continue and agreement on this issue is expected to be finalized at the IG meeting in 2003. (paragraph 3.8)

Attachment 4 shows estimated budgets of the Secretariat in 2002 (USD 404,365.50) and 2003 (USD 329,175.00), assuming that UNEP RRC.AP/AIT mechanism is used.

9. If UNEP RRC.AP/AIT mechanism be used to recruit the core staff of the Secretariat and for financing mechanism as proposed by UNEP, the estimated annual core budget for EANET activities will be around USD one million (about USD 400 thousand for the Secretariat and USD 600 thousand for the Network Center). Depending on work programs, some USD 900 thousand may be annually required for additional budget to continue technical cooperation activities by the Network Center, as a project basis.

10. Following the proposal by UNEP, it is proposed to establish a working group on long-term financial issues, and continue discussions to conclude the issue at the Fifth Session of the Intergovernmental Meeting in 2003 in a timetable described below:

November 2001	IG3: to initiate discussions;
Spring 2002	WG1: to continue discussions;
Autumn 2002	IG4: to provide guidance on the issue;
Spring 2003	WG2: to continue discussions if necessary; and
Autumn 2003	IG5: to conclude the issue.

Until an agreement is reached, the EANET activities will be financed by voluntary cash and/or in-kind contributions by participating countries and possibly by other donors.

11. Based on the above, the participating countries may wish to discuss and elaborate the issues on how to arrange voluntary cash and/or in-kind contributions to the EANET activities on a long-term basis, and in 2002/2003.

Attachment 1: Estimated Budget for the (Interim) Secretariat

## Budget for 2001

Activities	Manpower (man x months)	Estimated budget (US\$)
1. Preparation and arrangements for the meetings		
Logistic preparation for the meetings	7	72,000
ISAG meetings	3	97,000
Intergovernmental meetings	3	59,000
Reporting	2	28,000
2. Administrative arrangements for Network activities	9	80,000
3. Further communication and cooperation	4	56,000
Total	28	392,000

## Budget for 2002

Components	Estimated Annual Budget (US\$)
Personnel	
Coordinator (P-5)	148,500
Contractual Staff	
Consultants 3p/m	21,000
Assistant 15p/m	30,000
Travel	20,000
Rental of Premises	30,000
Intergovernmental Meeting	
Travel (participants)	30,000
Facilities	10,000
SAC Meeting	
Travel (participants)	60,000
Facilities	15,000
Equipment and Furniture	50,000
Reporting	5,000
Communication	10,000
Office Supplies	3,000
Miscellaneous	5,000
Overhead (13%)	56,875
TOTAL	494,375

(note: The cost for equipment and furniture includes initial cost and is expected to decrease after 2003.)

## Attachment 2: Estimated Budget in 2001 for Network Center

Activities	Man/ Month	Estimate (US\$)	core budget	additional budget
<b>1. Central compilation, evaluation and storage of data etc.</b>	<b>5</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>
Data verification	3	21,000	21,000	
Development of database	2	14,000	14,000	
<b>2. Preparation of data report</b>	<b>4.5</b>	<b>35,000</b>	<b>35,000</b>	
<b>3. Dissemination of data and relevant information</b>	<b>3</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>
Analysis on the state of acid deposition in the region	2	15,000	15,000	
Development and updating of EANET website	1	5,000	5,000	
<b>4. Technical assistance to participating countries</b>	<b>15</b>	<b>210,000</b>	<b>0</b>	<b>210,000</b>
Dispatch of technical missions	6	100,000		100,000
Assistance to individual countries	8	100,000		100,000
Communication/coordination with donor agencies	1	10,000		10,000
<b>5. Implementation and coordination of QA/QC activities</b>	<b>18</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>
Inter-laboratory comparison survey	3	50,000	50,000	
Individual questions and answers	4	30,000	30,000	
Meeting of National QA/QC Managers	8	100,000	100,000	
Preparation of QA/QC report	3	20,000	20,000	
<b>6. Development/implementation of training programs</b>	<b>28</b>	<b>270,000</b>	<b>10,000</b>	<b>260,000</b>
Development of annual training program	2	10,000	10,000	
Development of training materials, technical documents	8	100,000		100,000
Assistance for national training activities	4	30,000		30,000
Coordination with and support for other training programs	4	30,000		30,000
Training of individuals at INC	8	80,000		80,000
Communication/coordination with donor agencies	2	20,000		20,000
<b>7. Research activities</b>	<b>15</b>	<b>220,000</b>	<b>0</b>	<b>220,000</b>
Fellowship	3	20,000		20,000
Research for improving monitoring methodologies	6	70,000		70,000
Joint research with Russia	3	100,000		100,000
International research for dry deposition monitoring	3	30,000		30,000
Other research				
<b>8. Technical support for EANET meetings</b>	<b>16</b>	<b>160,000</b>	<b>160,000</b>	<b>0</b>
Preparation of technical documents	6	50,000	50,000	
Attendance to the EANET meetings	4	50,000	50,000	
Support for Task Forces				
Task Force on Dry Deposition Monitoring	2	20,000	20,000	
Task Force on Soil and Vegetation	2	20,000	20,000	
Management of the network on soil/vegetation specialists	2	20,000	20,000	
Other follow-up activities of the meetings				
<b>9. Other activities</b>	<b>5.0</b>	<b>90,000</b>	<b>0</b>	<b>90,000</b>
Raising of public awareness on acid deposition problems				
Development of brochures, videotapes etc.	2	40,000		40,000
Regional workshop on exchange of experiences	3	50,000		50,000
<b>10. Administrative works</b>	<b>35</b>	<b>260,000</b>	<b>95,000</b>	<b>165,000</b>
Communication/coordination	10	80,000	30,000	50,000
Management of budget and personal affairs	20	140,000	50,000	90,000
Miscellaneous	5	40,000	15,000	25,000
<b>Subtotal</b>	<b>145</b>	<b>1,500,000</b>	<b>555,000</b>	<b>945,000</b>
<b>11. Overhead (Secretariat)</b>			<b>72,000</b>	
<b>Total (core budget)</b>			<b>627,000</b>	

(note) It is presumed that several staff will be nonreimbursible experts.

Attachment 3: Estimated Budget in 2001 for Network Center (itemized)

Unit: US \$

Items	Budget
Salary of staff members	874,000
External consultants/assistants	140,000
Travel costs	165,000
Meetings	116,000
Communication	15,000
Reporting (publication)	67,000
Equipment	46,000
Consumables	72,000
Miscellaneous	5,000
TOTAL	1,500,000

**Attachment 4****Budget in the Initial Stage of the EANET Secretariat:****Proposed Budget (Annual Basis in USD)**

	2002	2003
<b>Personnel Costs</b>	<b>\$87,000.00</b>	<b>\$87,000.00</b>
<b>Staff</b>		
Coordinator (1) (AIT-IA)	\$40,000.00	\$40,000.00
Program Officer (1) (AIT-III)	\$27,000.00	\$27,000.00
Administrative Assistant (1) (AIT-A8)	\$10,000.00	\$10,000.00
<b>Consultant</b>		
Consultant	\$10,000.00	\$10,000.00
<b>Rental of premises based on 100 sq.m.</b>	<b>\$30,000.00</b>	<b>\$30,000.00</b>
<b>Furniture</b>	<b>\$15,000.00</b>	
<b>Equipment</b>	<b>\$50,100.00</b>	
- Telephone (3)	\$300.00	
- Fax machine (1)	\$300.00	
- Computers (4) and printer (1)	\$24,000.00	
- Server (1)	\$20,000.00	
- Scanner (1)	\$500.00	
- Photocopy machine	\$5,000.00	
<b>Operating Costs</b>	<b>\$168,000.00</b>	<b>\$168,000.00</b>
- Reporting	\$5,000.00	\$5,000.00
- Stationary	\$3,000.00	\$3,000.00
- Communication facilities	\$10,000.00	\$10,000.00
- Travel	\$20,000.00	\$20,000.00
- Meetings and DSA	\$130,000.00	\$130,000.00
<b>Contingency (10%)</b>	<b>\$35,010.00</b>	<b>\$28,500.00</b>
<b>Overhead (AIT 5%)</b>	<b>\$19,255.50</b>	<b>\$15,675.00</b>
<b>Total</b>	<b>\$404,365.50</b>	<b>\$329,175.00</b>