

The Seventeenth Session of the Scientific Advisory Committee
on the Acid Deposition Monitoring Network in East Asia
26-28 September 2017, Pathumthani, Thailand

Draft Financial Report of the Secretariat and the Network Center in 2016

I. INTRODUCTION

1. This report presented the financial report of the Secretariat and the Network Center in 2016. In principle, the budget and expenditures of the Secretariat and the NC in 2016 were based on the Work Programme and Budget of the EANET in 2016 approved at the Sixteenth Session of the Intergovernmental Meeting (IG17) on the EANET in 2015 in Bangkok, Thailand.

II. FINANCIAL REPORT OF THE SECRETARIAT IN 2016

2. The Financial report of the Secretariat in 2016 was prepared based on the Work Programme and Budget of the EANET in 2016 which includes the financial contribution received for and the disbursement made from the 2016 Secretariat budget.
3. The budget of the Secretariat in 2016 to implement its 2016 Work Programme under the new arrangements of the Secretariat for the EANET at UN Environment decided by the Fifteenth Session of the Intergovernmental Meeting (IG5) on the EANET in 2013 which has started its operation at UN Environment Asia Pacific office since 1 May 2015. The grand total Secretariat budget in 2016 is US\$ 615,624 (including program support cost).

II-1 Voluntary Financial Contributions from the Participating Countries

4. The total voluntary financial contributions received from the participating countries to the Secretariat budget of 2016 were US\$699,589 as presented in Table 1 of Annex 1.
5. In 2016, the total contributions in cash received to the EANET account at UN Environment Contribution from the participating countries were US\$699,589. Cambodia (US\$400), China (US\$247,300), Japan (US\$312,208), Mongolia (US\$400), Myanmar (US\$291), Philippines (US\$3,435), Republic of Korea (US\$57,467), Russia (US\$70,265), Thailand (US\$6,888), and Viet Nam (US\$935) made contributions to the EANET at UN Environment Contribution account.
6. There were some in-kind contributions made to the Secretariat budget in 2016. Russia made in-kind contributions by hosting the Seventeenth Senior Technical Managers' (STM17) Meeting of the EANET. Indonesia and Japan made in-kind contributions by participating in the EANET meetings with self-funded. Besides from participating countries, the Secretariat also received in-kind support from UN Environment to cover most of the personnel costs and some operational costs of the Secretariat in 2016.

7. The total voluntary financial contributions received from the participating countries for the implementation of the regular activities of the Secretariat in 2016 were US\$80,129 higher than the total voluntary financial contributions expected in 2016 of US\$619,460 based on the Work Programme and Budget of the EANET in 2016 (See Table 1 in the Annex 1). This is because China provided significantly higher than the expected amount of its contribution in 2016. In addition, two countries, Cambodia and Mongolia provided contributions in 2016 for two years (2015 and 2016).
8. In 2016, two countries, Philippines and Viet Nam made financial contribution to the Secretariat in 2016 a little less than the expected amount. It is because both countries made a reference to the amount of voluntary contribution in 2015 instead of 2016.
9. To ensure smooth implementation of EANET activities, the Secretariat strongly encourage participating countries to submit their contribution in 2015, 2016 and 2017 as soon as possible.

II-2 Expenditures

10. The total expenditure of the Secretariat for the EANET in 2016, including programme support cost and commitments is US\$266,656. The details are presented in Table 2.a of Annex 1.
11. In 2016, a small-scale funding agreement between the Secretariat (UN Environment) and RRC.AP was signed to support convening the Working Group on Framework (WGF) in June 2016, the Sixteenth Session of the Scientific Advisory Committee (SAC16) in October 2016, and the IG18 in November 2016 and development of proceedings for IG17, WGF, SAC17 and IG18. The details are presented in Table 1.a of Annex 2.
12. The Secretariat also made a small-scale funding agreement between the Secretariat (UN Environment) with the Network Center (NC) to support implementation of the EANET Research Fellowship Programme in 2016 with the amount of US20,000.

II-3 Savings of the EANET at RRC.AP/AIT

13. In the IG18, it was informed that the remaining balance of the Secretariat for the EANET at RRCAP account as of November 2016 is US\$104,917. The IG18 urged that the remaining balance at RRC.AP to be transferred to UN Environment as the new Secretariat as soon as possible after the IG18. In March 2017, UN Environment received the transfer from RRC.AP.

III. FINANCIAL REPORT OF THE NETWORK CENTER (NC) IN 2016

14. The NC's budget in 2016 was estimated to be US\$ 423,000 for the core budget activities and US\$ 496,000 for the additional budget activities.

III-1 Balance between Revenue and Expenditures

15. Actual total revenue, total expenditures and the balance between revenue and expenditure of the NC in 2016 are shown in Table 1 of Annex 3.

III-2 Revenue for the NC

16. Actual total revenue including voluntary financial contribution from the participating countries of the NC in 2016 is shown in Table 2 of Annex 3 and the Table of the Contributions from the participating countries for the NC Core Budget in 2016. All of the voluntary financial contributions from the participating countries to the NC in 2016 were transferred to the Japan Environmental Sanitation Center (JESC) bank account directly.
17. Table 2 of Annex 3 also shows other revenue of the NC in 2016 amounting to US\$ 115,216 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.

18. Actual expenditures of the NC core and additional budget activities of each activity item in 2016 are shown in Table 3 and 4 of Annex 3 respectively. The amounts of expenditures were US\$ 427,091 for the core budget activities and US\$ 430,640 for the additional budget activities.
19. The actual total expenditures of the NC core budget was above the estimated budget (US\$4,091) while 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 relatively large 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 project than EANET activities were covered by the project (PMTT/IBAQ project)
- (3) Administrative Cost
 - Depreciation and outsourcing fee (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 - Voluntary Financial Contributions expected from the Participating Countries to the Secretariat Budget in 2016

Countries	Budget of 2016	
	Expected	Actual
Cambodia	118 ^a	400 ^b
China	148,367	247,300
Indonesia	9,973	in-kind
Japan	312,208	312,208 +in-kind
Lao PDR	56 ^a	-
Malaysia	8,096	-
Mongolia	87 ^a	400 ^b
Myanmar	291	291
Philippines	4,435	3,435
R.O. Korea	57,467	57,467
Russia	70,265	7,0265 +in-kind
Thailand	6,888	6,888
Viet Nam	1,208	935
Total Contribution	619,460	699,589

Note: ^a 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.



^b It includes contribution in 2015.

Table 2.a - Financial Statement of the EANET Secretariat in 2016 (US\$)

a) Expenditure January to December 2016 of Secretariat for the EANET at UN Environment

Items	Expenditure in 2016
1. Personnel Cost	18,685
1.1 Personnel costs	18,685
1.2 Consultant	-
2. Travel	-
2.1 Travel of Secretariat staff	-
2.2 Other travels directly managed by the Secretariat	-
3. Contractual services	8,507
3.1 Contractual services directly managed by the Secretariat for meetings, printing, etc.	8,507
4. Grants for implementing partners (without commitment to be paid)	153,563
4.1 Small-scale Funding Agreement with RRC.AP/AIT for WGFD and SAC15.	138,563
4.2 Small-scale Funding Agreement with the NC for Fellowship Programme.	15,000
5. Operating and other direct costs	-
5.1 Operating and other direct costs including office supplies and communications.	-
Sub-Total	180,756
Programme Support Cost (PSC)	23,498
Commitment to be paid to implementing partners	62,402
Grand Total (without commitment)	204,254
Grand total (with commitment)	266,656

**Table 2.b Certified Financial Statement of EANET Secretariat for the Period of Jan-Dec 2016
(in US\$)**

 UN environment United Nations Environment Programme				
Asia and the Pacific Office				
Acid Deposition Monitoring Network in East Asia (EANET) Financial Statement for the period of Jan 2016 - Dec 2016 (Expressed in US dollars)				
Budget Class	2016 Budget	Commitments	Expenditure	Budget Balance
Staff and other personnel costs	179,200		18,685	160,515
Travel	10,000			10,000
Transfers and Grants	340,000	55,223	153,563	131,214
Contractual Services and Operational Costs	15,600		8,507	7,093
Total direct expenditures	544,800	55,223	180,756	308,821
Indirect Support Costs (United Nations)	70,824	7,179	23,498	40,147
Grand Total	615,624	62,402	204,254	348,968
  Certified by: Mohamed Elharati Mohamed Elharati Admin & Finance Officer Asia and the Pacific Office UN Environment				
			Date: 31.03.2017	

Annex 2

Table 1.a Interim Financial Statement of RRC.AP/AIT under small scale funding agreement between UNEP and AIT in 2016 (in US\$)

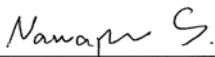
Details	Budget 2016 (A)	Total Expenditure (B)	Budget Balance (C) = A-B
1. Staff and other personnel cost (1161)	45,000	45,000	-
1.1 WGF	15,000	15,000	-
1.2 SAC	15,000	15,000	-
1.3 IG18	15,000	15,000	-
2. Travel (1561)	85,511	54,549	30,962
2.1 WGF	28,765	18,659	10,106
2.2 SAC16	28,712	16,840	11,872
2.3 IG18	28,034	19,051	8,983
3. Contractual Services (2161)	35,656	22,197	13,459
3.1 WGF	8,660	5,917	2,743
3.2 SAC16	14,777	8,419	6,358
- Accomodation	5,936	4,434	1,502
- Meeting Arrangements	5,541	3,984	1,557
- Communications	1,500	N/A	N/A
- Proiniting of Proceedings	1,800	N/A	N/A
3.3 IG18	12,219	7,861	4,358
- Accomodation	4,611	3,557	1,054
- Meeting Arrangements	4,158	4,304	(146)
- Communications	1,500	N/A	N/A
- Printing of Porceedings	1,950	N/A	N/A
4. Supplies, commodities, materials	900	876	24
4.1 WGF	300	286	14
4.2 SAC16	300	336	(36)
4.3 IG18	300	255	45
SUB TOTAL	167,067	122,622	44,445
5. General Operating Costs	21,719	15,941	5,778
5.1 WGF	6,854	5,182	1,672
5.2 SAC16	7,643	5,277	2,366
5.3 IG18	7,222	5,482	1,740
Total of Regular Activities	188,786	138,563	50,223

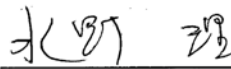
Remarks: costs for printing of Proceedings and Communications (postage cost for mailing Proceedings) of the SAC16 and IG18 Proceedings have not been included yet)

Table 1.b Certified Interim Financial Statement of RRC.AP/AIT under small scale funding agreement between UNEP and AIT in 2016 (in US\$)

Interim Financial Statement in US Dollars EANET (SSFA/RRC.AP/UNEP - BAC: M1-32CPL-000284/32CPL/M99/11228/SB-001023.03) January - December 2016 (as of 21 December 2016)			
Details	Budget 2016 (A)	Total Expenditure (B)	Budget Balance (C) = A-B
1. Staff and other personnel costs (1161)	45,000	45,000	-
1.1 WGF	15,000	15,000	-
1.2 SAC16	15,000	15,000	-
1.3 IG18	15,000	15,000	-
2. Travel (1561)	85,511	54,549	30,962
2.1 WGF	28,765	18,659	10,106
2.2 SAC16	28,712	16,840	11,872
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TOTAL of Regular Activities	188,786	138,563	50,223

Remarks: Costs for Printing of Proceedings and Communications (postage cost for mailing Proceedings) of the SAC16 and IG18 Proceedings have not been included yet).

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Date 6 January 2016

Annex 3

**FINANCIAL STATEMENT OF THE NETWORK CENTER
JANUARY - DECEMBER 2016**

Table 1 - Balance between Revenues and Expenditures in 2016

Items	Revenues (US \$)	Expenditures (US \$)	Balance (US \$)
1. Core budget	393,364.00	427,091.00	-33,727.00
2. Additional budget	452,300.00	430,640.00	21,660.00
3. Others	115,216.00	115,216.00	0.00
Total	960,880.00	972,947.00	-12,067.00

Table2 – Revenues for the Network Center in 2016 (Financial Contributions, etc.)

Organizations / Purpose	Revenue (US\$)			
	Core budget	Additional budget	Others	Total
1. Core budget Participating countries	393,364.00			393,364.00
2. Additional budget				
(1) RRC.AP through contract (Fellowship)		10,000.00		10,000.00
(2) MOE, Japan (Contribution)		248,800.00		248,800.00
(3) MOE, Japan (Contract)		189,000.00		189,000.00
(4) Niigata Prefecture (Support for EANET meetings)		3,000.00		3,000.00
(5) Niigata City (Support for EANET meetings)		1,500.00		1,500.00
3. Others Niigata Prefecture (Support for NC activities)			115,216.00	115,216.00
Total	393,364.00	452,300.00	115,216.00	960,880.00

***Contributions from the participating countries for the NC core budget in 2016**

Name of country	Contribution (US\$)	Name of country	Contribution (US\$)
Cambodia	200.00	Russia	46,960.00
Japan	337,746.00	Thailand	4,604.00
Myanmar	212.00	Vietnam	807.00
Philippines	2,835.00	Total	393,364.00

Table 3 - Expenditures of the Network Center in 2016 (Core Budget Activities) (US\$)

Activity item	Budget			Expenditures		
	Direct expenses	Personnel costs	Total	Direct expenses	Personnel costs	Total
1. Monitoring of acid deposition	35,000	100,000	135,000	14,746	86,433	101,179
- Continuation and improvement of EANET monitoring	5,000	20,000	25,000	2	17,286	17,288
- Development/revision of guidelines, technical manuals and strategy papers	0	10,000	10,000	0	8,643	8,643
- Implementation of QA/QC activities	20,000	30,000	50,000	11,908	25,930	37,838
- Management of data and maintenance of the database	5,000	30,000	35,000	732	25,930	26,662
- Upgrading of the EANET website	5,000	5,000	10,000	2,104	4,322	6,426
- Upgrading of the data management system in the NC	0	5,000	5,000	0	4,322	4,322
2. Strengthening current monitoring	10,000	30,000	40,000	0	25,930	25,930
- Promotion of the monitoring of ozone and PM2.5 and capacity building	10,000	30,000	40,000	0	25,930	25,930
3. Promotion of activities other than monitoring (Research activities, etc.)						
4. Policy relevant information	45,000	35,000	80,000	50,372	43,216	93,588
- Periodic assessment of the state of acid deposition and preparation of periodic assessment reports	0	10,000	10,000	0	8,643	8,643
- Preparation of periodic assessment reports on the state of acid deposition in East Asia	45,000	25,000	70,000	50,372	34,573	84,945
5. Public awareness						
6. Enhancement of Intergovernmental Cooperation	93,000	75,000	168,000	76,608	77,791	154,399
- Arrangements and technical support for EANET Sessions	93,000	65,000	158,000	76,016	69,147	145,163
- Review of the arrangements of the EANET Secretariat and the NC(s)	0	2,500	2,500	592	2,161	2,753
- Revision of Guidelines on Administrative and Financial Management for the Sec. & NC	0	2,500	2,500	0	2,161	2,161

- Review, revision & development of the MTP for the EANET	0	5,000	5,000	0	4,322	4,322
7. Enhancement of Cooperation and Collaboration						
Sub Total	199,000	197,000	423,000			
Administrative Cost				51,995		51,995
Grand Total	199,000	197,000	423,000	193,721	233,370	427,091

Table 4 - Expenditures of the Network Center in 2016 (Additional Budget Activities) (US\$)

Activity item	Budget			Expenditures		
	Direct expenses	Personnel costs	Total	Direct expenses	Personnel costs	Total
1. Monitoring of Acid deposition	57,500	47,500	105,000	56,295	41,057	97,352
- Promotion of capacity building and technical support of participating countries	57,500	47,500	105,000	56,295	41,057	97,352
2. Strengthening current monitoring	22,000	15,000	37,000	1,985	12,966	14,951
- Capacity building activities for ozone and PM2.5 monitoring and meteorological parameters	22,000	15,000	37,000	1,985	12,966	14,951
3. Promotion of activities other than monitoring (Research activities, etc.)	121,000	120,000	241,000	48,836	103,726	152,562
- Research and technical cooperation on emission inventory	0	10,000	10,000	0	8,644	8,644
- Research activities on regional impact assessment and EC and OC	25,000	15,000	40,000	2,306	12,966	15,272
- Studies on the applicable measurement methodologies	15,000	10,000	25,000	3,620	8,644	12,264
- Fellowship research program	18,000	10,000	28,000	4,412	8,644	13,056
- Studies on the effects of acid deposition and other priority chemical species	15,000	15,000	30,000	14,392	12,966	27,358
- Promotion of studies on models	45,000	50,000	95,000	24,106	43,218	67,324
- EANET science bulletin	3,000	10,000	13,000	0	8,644	8,644
4. Policy relevant information						
5. Public awareness	3,000	15,000	18,000	740	12,966	13,706
- Promotion of public awareness	3,000	15,000	18,000	740	12,966	13,706
6. Enhancement of Intergovernmental Cooperation						
7. Enhancement of Cooperation and Collaboration	0	5,000	5,000	13,627	4,322	17,949
- Sharing information on atmospheric environment and policy recommendations to policy makers		5,000	5,000	13,627	4,322	17,949
Sub Total	203,500	202,500	406,000	121,483	175,037	296,520

Administrative Cost		90,000	90,000	56,328	77,792	134,120
Grand Total	203,500	292,500	496,000	177,811	252,829	430,640