

The Thirteenth Session of the Scientific Advisory Committee
on the Acid Deposition Monitoring Network in East Asia
25-27 September 2013, Xiamen, China

Financial Report of the Secretariat and the Network Center in 2012

I. INTRODUCTION

1. The “Financial Report of the Secretariat and the Network Center in 2012”, as presented in details in the Attachment was developed by the Secretariat and the Network Center (NC) in accordance with the format of reporting the revenue/income and expenditures of the Secretariat and the NC of the Revised Guidelines on Administrative and Financial Management for the Secretariat and the Network Center approved at the Fourteenth Session of the Intergovernmental Meeting (IG14) on the EANET in November 2012.
2. In principle, the budgets and expenditures of the Secretariat and the Network Center (NC) in 2012 are in accordance with the Work Program and Budget of the EANET in 2012 approved at the Thirteen Session of the Intergovernmental Meeting (IG13) on 30 November - 1 December 2011 in Hanoi, Vietnam.

II. ACTIONS REQUIRED

3. The SAC13 is invited to review the Financial Report of the Secretariat and the Network Center in 2012, and may wish to discuss, consider, provide guidance, and make recommendations, as appropriate, to the Twelfth Session of Working Group for Future Development (WGFD12) for its review and the subsequent Fifteenth Session of the Intergovernmental Meeting (IG15) on the EANET for its review, guidance, and endorsement of the report.

Attachment**Financial Report of the Secretariat and the Network Center in 2012****I. INTRODUCTION**

1. The “Financial Report of the Secretariat and the Network Center in 2012” was developed by the Secretariat and the Network Center (NC) in accordance with the format of the financial report of the Secretariat and the NC of the Revised Guidelines on Administrative and Financial Management for the Secretariat and the Network Center (EANET/IG 14/14 Annex 10) approved at the Fourteenth Session of the Intergovernmental Meeting (IG14) on the EANET in November 2012.
2. In principle, the budgets and expenditures of the Secretariat and the Network Center (NC) in 2012 are in accordance with the Work Program and Budget of the EANET in 2012 approved at the Thirteen Session of the Intergovernmental Meeting (IG13) on 30 November - 1 December 2011 in Hanoi, Vietnam.

II. FINANCIAL REPORT OF THE SECRETARIAT IN 2012

3. The Financial report of the Secretariat in 2012 was prepared based on the Work Program and Budget of the EANET in 2012 which includes the financial contribution received for and the disbursement made from the 2012 Secretariat budget regardless of whether they were made in 2012 or not. The overall cash balance (Savings) of the EANET Secretariat at the end of 2012 is US\$ 241,123.24 as described in detail below.

II-1 Financial Contributions from the Participating Countries

4. The total financial contribution received from the participating countries for the Secretariat budget in 2012 was US\$ 385,435.41.
5. The participating countries that made financial contributions for the Secretariat budget in 2012 include: Cambodia (US\$ 66.30), China (US\$ 15,000.00), Japan (US\$ 271,216.00), Lao PDR (US\$ 50.00), Malaysia (US\$ 5,449.00), Mongolia (US\$ 50.00 for the Secretariat, US\$ 50.00 for the NC core budget), Myanmar (US\$ 125.81), Philippines (US\$ 1,941.50), Republic of Korea (US\$ 48,920.00), Russia (US\$ 37,146.00), Thailand (US\$ 4,520.80) and Vietnam (US\$ 950.00), as presented in Table 1 of Annex 1. The US\$ 50.00 from Mongolia for the NC core budget in 2012 was transferred to the NC, less 5% overhead. Financial contribution from Vietnam for the Secretariat budget in 2011 of US\$ 950.00 was also made in 2012 but not reported/included as the Secretariat budget in 2012).

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6. Therefore, the total financial contributions received from the participating countries for the 2012 Secretariat budget was then US\$ 385,435.41 (*excluding financial contribution from Mongolia for the 2012 NC core budget and from Vietnam for the 2011 Secretariat budget*) which was US\$ 56,478.59 less than the total financial contributions expected in 2012 of US\$ 441,914.00 based on the Work Program and Budget of the EANET in 2012 (See Table 1 in the Annex 1). This is because some participating countries either did not make the contributions or made the contributions less than the expected amounts.

II-2 Expenditures

7. The Secretariat's planned budget for the activities of the Secretariat in 2012 in the Work Program and Budget in 2012 approved by the Thirteenth Session of the Intergovernmental Meeting (IG13) on the EANET was US\$ 491,914.00 which included expected financial contributions from the participating countries of US\$ 441,914.00 and US\$ 50,000 from Savings of the EANET for activity on promotion of public awareness. It was finally US\$ 492,014.00 including the contribution from Mongolia of US\$ 100 to be transferred to the NC core budget for 2011 and 2012⁽¹⁾. The total expenditure for the implementation of the Secretariat activities under the Work Program and Budget of the EANET in 2012 was US\$ 338,188.00 which was US\$ 153,826.00 less than the planned budget (planned expenditures) as presented in Table 2 of Annex 1.
8. The expenditures from the regular budget included: personnel costs, rental of premises, operating costs and overhead.

II-3 Savings of the Secretariat

9. At the beginning of 2012, the amount of Savings of the EANET at the Secretariat carried forward from 2011 was US\$ 193,825.50. The financial contribution received for the Secretariat budget in 2012 (US\$ 385,435.41) and financial contribution received by the Secretariat from Mongolia for the NC core budget in 2012 (US\$ 50 to be transferred to the NC) was US\$ 385,485.41 and the actual expenditures under the Work Program and Budget of the EANET in 2012 including financial contribution from Mongolia transferred to the NC core budget in 2011 and 2012 (US\$ 95 actually transferred to the NC plus US\$ 5 overhead charge by AIT) was US\$ 333,431.06 while there was additional expenditure from Savings of US\$ 4,756.61 for the public awareness workshop in Lao PDR planned for 2011 but was delayed to early 2012 due to major flooding in Thailand at the end of 2011. The Saving balance at the end of 2012 was then US\$ 241,123.24, as presented in Table 3 of Annex 1
10. The Financial Statement of Savings of the EANET at the Secretariat from 2002-2012 is

(1) Mongolia financial contribution of US\$ 50.00 for the NC core budget in 2011 was received by the Secretariat in November 2011 but was transferred to the NC in 2012 together with the other US\$ 50.00 received by the Secretariat for the NC core budget in 2012, less 5% overhead charge.

presented in Table 4 of Annex 1.

III. FINANCIAL REPORT OF THE NETWORK CENTER (NC) IN 2012

11. The NC's budget in 2012 was estimated to be US\$ 427,000 for the core budget activities and US\$ 653,000 for the additional budget activities.

III-1 Balance between Revenue and Expenditures

12. Actual total revenue, total expenditures and the balance between revenue and expenditure of the NC in 2012 are shown in Table 1 of Annex 2.

III-2 Revenue for the NC

13. Actual total revenue including voluntary financial contribution from the participating countries of the NC in 2012 is shown in Table 2 of Annex 2 and the Table of the Contributions from the participating countries for the NC Core Budget in 2012. As described in paragraph 4, though some of the voluntary financial contributions from the participating countries to the NC in 2012 were through the Secretariat, others were to the Japan Environmental Sanitation Center (JESC) bank account directly.
14. Table 2 of Annex 2 shows other revenue of the NC in 2012 amounting to US\$ 175,028 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. Actual expenditures of the NC core and additional budget activities of each activity item in 2012 are shown in Table 3 and 4 of Annex 2. The amounts of expenditures were US\$ 398,419.00 for the core budget activities and US\$ 636,605.00 for the additional budget activities.
16. In general, actual total expenditures of the NC both core and additional budget did not exceed the estimated budget, however there are some items in Table 3 and Table 4 that the estimated budget and the actual expenditures were slightly different. The reasons of the differences are shown as follows:

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

- (1) Preparation of guidelines, technical manuals, strategy papers

- Printing cost was drastically saved by preparing ready-for-print draft in-house.

- (2) Compilation, verification, evaluation, storage and analysis of data

- Since the NC developed a new data management system by itself for provision of the data and information to the participating counties, etc. through the website, the cost was saved.

(3) Technical support for EANET meetings including STM and TF/EGs

- Some of the expenditures for the Sessions of the EANET in 2011 were paid in 2012.

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

(1) Implementation of technical support and capacity building activities

- National training in the participating countries supported by the NC was not implemented in 2012.
- Travel cost was saved for technical missions.

(2) Promotion of research activities

- Publication of the EANET Science Bulletin was postponed.
- Only one research fellow was invited instead of two due to cancelation.
- Direct expense on consumables for researches and studies were saved.

(3) Public awareness workshop, etc.

- Environmental Conference of School Children was held as a special session of the Tenth Workshop on Public Awareness for Acid Deposition Problems. Outside fund from Mitsui Co. was allocated to cover the expenses.

Annex 1

**Table 1 - Received Contributions to the Secretariat for 2012 Budget
(US\$)**

Countries	Received Date	Amount
Mongolia	27-Mar-12	50.00
Thailand	18-Apr-12	4,520.80
Korea	24-Apr-12	48,920.00
Lao PDR	14-Aug-12	50.00
Cambodia	6-Sep-12	66.30
Malaysia	10-Sep-12	5,449.00
Vietnam	29-Nov-12	950.00
Philippines	31-Oct-12	1,941.50
Russia	24-Dec-12	37,146.00
China	28-Dec-12	15,000.00
Japan	29-Jan-13	271,216.00
Myanmar (EUR 93.95)	19-Feb-13	125.81
Total received contribution for the Secretariat budget in 2012		385,435.41
Mongolia contribution through the Secretariat for the NC core budget in 2012	27-Mar-12	50.00
Expenditures of the Secretariat in 2012 based on the Work Program and Budget of the EANET in 2012 and transfer of contribution from Mongolia for the NC core budget in 2011 and 2012		333,431.06
Cash Balance		52,054.35

* Total expected voluntary financial contribution from the participating countries for the Secretariat budget in 2012 based on the Work Program and Budget of the EANET in 2012 was US\$ 441,914.00.

Table 2 - Financial Statement of the Secretariat in 2012
(US\$)

Details	Budget 2012 (A)	Total Expenditure (B)	Budget Balance (C) = (A)-(B)
1. Personnel Costs	165,900	128,067	37,833
2. Rental of premises (as per Contract)	30,000	30,000	-
3. Operating Costs			
3.1 Reporting Costs	9,000	9,753	(753)
3.2 Development of Newsletter	2,000	1,799	201
3.3 Office supplies	1,900	869	1,031
3.4 Communication	8,570	6,865	1,705
- Telephone/Fax/Network		2,373	
- Postage/DHL		4,492	
3.5 Travel of staff	19,500	11,756	7,744
3.6 Meetings			
• WGFD11	52,000	34,386	17,614
• SAC12	57,000	41,616	15,384
• IG 14	55,000	32,697	22,303
• Previous year adjustment	-	(817)	817
3.7 Fellowship Program at NC	20,000	20,467	(467)
3.8 Public Awareness	-	-	-
3.9 Contribution from Mongolia to NC for 2011 & 2012 *	100	95	5
SUB TOTAL	420,970	317,553	103,417
4. Overhead (5%)	21,044	15,878	5,166
TOTAL of Regular Activities	442,014	333,431	108,583
5. Savings: Promotion of Puplic awareness	50,000	4,757	45,243
GRAND TOTAL	492,014	338,188	153,826

* Mongolia contribution to the Secretariat and NC for 2011 was received in November 2011 but transferred to NC in 2012

* Mongolia financial contribution for the NC core budget in 2011 was received by the Secretariat in November but transferred to the NC in 2012.

** Numbers presented in Table 2 are adjusted to round numbers.

Table 3 - Cash Activities of Contribution, Expenditure and Saving for 2010-2012

Fiscal Year	Saving Balance Carried Forward (US\$)	Contribution from Participating Countries (US\$)	Expenditure based on Work Program (US\$)	Balance (US\$)	Expenditure from Savings (US\$)	Saving Balance at Year End (US\$)
	(A)	(B)	(C)	(D) = (B)-(C)	(E)	(F) = (A)+(D)-(E)
2010	181,880	417,266	411,221	6,045	---	187,925.00
2011	187,925	371,762.50	411,875	(40,112.50)	---	147,812.50
2011 Adjusted	147,812.50	46,013 ⁽¹⁾	---	46,013	---	193,825.50
2012	193,825.50	385,485.41 ⁽²⁾	333,431.06 ⁽³⁾	52,054.35	4,756.61	241,123.24

⁽¹⁾ Adjustment for the double reporting of expenses in 2004, the un-incurred expenses in 2008 and Mongolia's contribution to NC core budget 2011 to be transferred in 2012

⁽²⁾ Contribution to the Secretariat budget in 2012 plus US\$ 50 from Mongolia for the NC core budget in 2012

⁽³⁾ Including transfer of contributions from Mongolia for the NC core budget in 2011 and 2012 of US\$ 100 (US\$ 95 actually transferred to the NC plus US\$ 5 overhead charge by AIT)

Table 4 - Financial Statement of the Secretariat Savings from 2002-2012 (US\$)

Annual Cash Balance allocated to or deducted from the Savings		
Fiscal Year	Amount	Accumulated Amount
2002	268,580	268,580
2003	226,810	495,390
2004	(24,530)	470,860
2005	(35,889)	434,971
2006	(158,800)	276,171
2007	(23,419)	252,752
2008	(71,417)	181,335
2009	545	181,880
2010	6,045	187,925
2011	(40,112.50)	147,812.50
2011 adjusted ⁽¹⁾	46,013.00 ⁽¹⁾	193,825.50 ⁽¹⁾
2012	47,297.74	241,123.24

⁽¹⁾ The overall balance on Savings of 2011 adjusted from (i) round up calculation from previous years for US\$ 3.00, (ii) double reporting of expenses in the Meeting Line in 2004 of US\$ 33,924.00 due to changing of the AIT accounting system which has not been accounted for in the Savings of the Secretariat, (iii) un-incurred expense of US\$12,036.00 in 2008 from outsourcing for the development of the Second Report for Policy Makers which was covered by UNEP ROAP. (iv) Mongolia's contribution to NC core budget 2011 was not yet transferred in 2011 for US\$ 50. Then, total of US\$ 46,013.00 was added to the Secretariat Savings.

Annex 2

**FINANCIAL STATEMENT OF THE NETWORK CENTER
JANUARY - DECEMBER 2012**

Table 1 - Balance between Revenues and Expenditures in 2012

Items	Revenues (US \$)	Expenditures (US \$)	Balance (US \$)
1. Core budget	418,699.20	398,419.00	20,280.20
2. Additional budget	654,520.00	636,605.00	17,915.00
3. Others	175,028.00	175,028.00	0.00
Total	1,248,247.20	1,210,052.00	38,195.20

Table2 – Revenues for the Network Center in 2012 (Financial Contributions, etc.)

Organizations / Purpose	Revenue (US\$)			
	Core budget	Additional budget	Others	Total
1. Core budget Participating countries	392,526.50			392,526.50
2. Additional budget				
(1) RRC.AP through contract (Fellowship)		20,000.00		20,000.00
(2) MOE, Japan (Contribution)		421,956.00		421,956.00
(3) MOE, Japan (Through Contract)		141,009.00		141,009.00
(4) Mitsui & Co., Ltd. Environment Fund (Public Awareness)		29,498.00		29,498.00
(5) JICA (JICA training)		20,154.00		20,154.00
(6) APN (Research for improving monitoring methodologies)		14,667.00		14,667.00
(7) Niigata Prefecture (Support for EANET meetings)		3,883.00		3,883.00
(8) Niigata City (Support for EANET meetings)		1,942.00		1,942.00
3. Others Niigata Prefecture (Support for NC activities)			175,028.00	175,028.00
4. Cash reserve From 2011	26,172.70	1,411.00		27,583.70
Total	418,699.20	654,520.00	175,028.00	1,248,247.20

***Contributions from the participating countries for the NC core budget in 2012**

Name of country	Contribution (US\$)	Name of country	Contribution (US\$)
Cambodia	59.00	Russia	31,074.00
Japan	355,680.00	Thailand	4,051.00
Lao PDR	50.00	Vietnam	1,450.00
Mongolia	47.50		
Myanmar	115.00	Total	392,526.50

Table 3 - Expenditures of the Network Center in 2012 (Core Budget Activities) (US\$)

Activity item	Budget			Expenditures		
	Direct expenses	Personnel costs	Total	Direct expenses	Personnel costs	Total
1. Acid deposition monitoring	37,000	82,000	119,000	16,032	82,428	98,460
- Promotion of appropriate EANET monitoring with the participating countries	2,000	33,000	35,000	1,042	32,971	34,013
- Preparation of guidelines, technical manuals, strategy papers	16,000	16,000	32,000	3,197	16,486	19,683
- QA/QC activities	19,000	33,000	52,000	11,793	32,971	44,764
2. Compilation, verification, evaluation, storage and analysis of data	19,000	38,000	57,000	3,696	38,466	42,162
3. Enhancement of data analysis and assessment	16,000	27,000	43,000	18,382	27,477	45,859
- Support continuous assessment and evaluation of the monitoring data	1,000	16,000	17,000	0	16,486	16,486
- Preparation of Periodic Report	15,000	11,000	26,000	18,382	10,991	29,373
4. Implementation of technical support and capacity building activities	76,000	71,000	147,000	89,138	71,437	160,575
- Technical support for EANET meetings including STM and TF/EGs	76,000	71,000	147,000	89,138	71,437	160,575
5. Promotion of public awareness	3,000	5,000	8,000	59	5,496	5,555
- Regular updating of EANET web page	3,000	5,000	8,000	59	5,496	5,555
6. Further development of EANET	1,000	5,000	6,000	0	5,496	5,496
7. Other works	0	0	0	0	0	0
Sub Total	152,000	228,000	380,000	127,307	230,800	358,107
Administrative Cost	47,000	0	47,000	40,312	0	40,312
Grand Total	199,000	228,000	427,000	167,619	230,800	398,419

Table 4 - Expenditures of the Network Center in 2012 (Additional Budget Activities) (US\$)

Activity item	Budget			Expenditures		
	Direct expenses	Personnel costs	Total	Direct expenses	Personnel costs	Total
1. Implementation of technical support and capacity building activities	87,000	93,000	180,000	62,647	93,417	156,064
- EANET Training (Individual, JICA, national training, etc.)	33,000	55,000	88,000	22,233	54,951	77,184
- Technical mission and technical assistance to the participating countries	54,000	38,000	92,000	40,414	38,466	78,880
2. Promotion of research activities	109,000	120,000	229,000	83,944	115,401	199,345
- EANET Science Bulletin	5,000	5,000	10,000	0	5,496	5,496
- Research Fellowship Program	16,000	11,000	27,000	9,528	5,496	15,024
- Research for improving monitoring methodologies	54,000	11,000	65,000	36,022	10,991	47,013
- Studies on the effects of acid deposition and other priority chemical species	7,000	11,000	18,000	8,536	10,991	19,527
- Promotion of studies on models and emission inventories	27,000	82,000	109,000	29,858	82,427	112,285
3. Promotion of public awareness	32,000	49,000	81,000	53,656	49,456	103,112
- Public awareness workshop, etc.	32,000	49,000	81,000	53,656	49,456	103,112
4. Other works	7,000	99,000	106,000	16,784	98,912	115,696
Sub Total	235,000	361,000	596,000	217,031	357,186	574,217
Administrative Cost	57,000	0	57,000	62,388	0	62,388
Grand Total	292,000	361,000	653,000	279,419	357,186	636,605