

The Third Session of the Working Group  
on Future Development of EANET  
17-18 May 2006, Pathumthani, Thailand

## **Revision of Procedures and Guidelines for Contribution to Propose Appropriate Mechanism on Voluntary Contributions for EANET**

### **I. Introduction**

1. The Fifth Session of the Intergovernmental Meeting (IG5) held in Pattaya, Thailand in 2003 reached consensus on the Decision on the Further Financial Arrangement for EANET. The decision stated, “Decides that the participating countries of EANET should make effort, on a voluntary basis, to make financial contributions to NC and the Secretariat budget up to 2004. Taking into account the latest actual expenditure figures, countries will then make effort on a voluntary basis to contribute to the budget to be directly spent by the Secretariat using fully the latest UN assessment scale-based burden sharing as the first step. After three years, the performance and transparency of the Network should be reviewed to explore the possibility of strengthening and extending the burden sharing. The possibility of introducing minimum contribution amount from the participating countries should also be explored.” Please refer to Annex 1.
2. The Seventh Session of the Intergovernmental Meeting (IG7) suggested considering an appropriate mechanism to decide the amount of voluntary financial contributions from participating countries. In response to the request of the IG7, the Secretariat prepared this report that discusses mechanisms for providing voluntary contributions to EANET.

### **II. Previous Discussions**

3. According to the Report of Session of the Sixth Session of the Intergovernmental Meeting, IG6, it was pointed out that the burden sharing should be based on two years ago latest actual expenditures and based on UN assessment scale. It was clarified during the Second Session of the Working Group on Future Development of EANET (WGFD2) that this Option has already been agreed for voluntary contribution and will be practiced until the year 2007, according to the decision of the IG5.
4. However, several countries mentioned at the Session of the Working Group on Future Development of EANET (WGFD) held in November 2005 in Niigata, Japan that when seeking contributions for EANET from their home governments, they need more advanced notice of the target amounts. It was thus recommended to use the figures from three years previous as the base year instead of two (e.g., the base year for 2006 should be 2003, not 2004).

5. Based on the suggestion from IG7, in view of the above, we need to have a system or appropriate mechanism for voluntary contribution starting the year 2008. The Secretariat proposed the following for discussion at the Third Session of the Working Group on Future Development of EANET (WGFD3) and other sessions of year 2006 to prepare revision for consideration at the Eight Session of the Intergovernmental Meeting (IG8) in November 2006.

### **III. Proposal for possible mechanism on voluntary financial contributions**

#### **Contributions based on two-year work program and budget**

6. As experienced by the Secretariat, there are problems encountered during the disbursements of funds when the contribution be based using the latest actual expenditures, two years or three years ago because of the fluctuation, change in condition and the venue of the meetings, etc.
7. The budget estimates for consecutive period of two years, prepared in US \$, shall be approved by the Intergovernmental Meeting. For instance, the IG9 in November 2007 will approve the budget for the years 2008 and 2009. Contributions based on the two-year work program and budget and based on UN assessment scale burden sharing, will be considered by the IG. The participating countries, may request contribution for EANET in advance from their government considering that the fixed amounts of contribution of the countries would be decided.

**DECISION 1/IG. 5**

**FURTHER FINANCIAL ARRANGEMENT FOR EANET**

Recognizing the importance of long-term, secured financial arrangement for the EANET activities,

Recalling the agreements reached at the Second Session of the Intergovernmental Meeting through Decisions 1 to 6 for the regular phase of EANET,

Taking into account the discussions at the sessions of the Intergovernmental Meeting as well as the Working Group on Further Financial Arrangement for EANET,

Considering that in some countries the negotiations on the new financial arrangement with national financial bodies require legal status of official international document,

The Fifth Session of the Intergovernmental Meeting on the Acid Deposition Monitoring Network in East Asia (EANET), on 27-28 November 2003 in Pattaya, Thailand,

1. Confirms the principles that were agreed on at the Second Session of the Intergovernmental Meeting should remain the basic policy of the EANET activities, at least in the initial stage of the regular phase.
2. Takes note that the following three principles for further financial arrangements.
  - (i) Financial contribution should be on a voluntary basis, at least for the initial stage of the regular phase. In other words, a burden sharing principle is not mandatory unless otherwise decided.
  - (ii) Step-wise approach should be taken for financial contribution by the participating countries.
  - (iii) Effort should also be continued to further improve transparency and efficiency of the Network.

3. Decides that the participating countries of EANET should make effort, on a voluntary basis, to make financial contributions to NC and the Secretariat budget up to 2004. Taking into account the latest actual expenditure figures, countries will then make effort on a voluntary basis to contribute to the budget to be directly spent by the Secretariat using fully the latest UN assessment scale-based burden sharing as the first step. After three years, the performance and transparency of the Network should be reviewed to explore the possibility of strengthening and extending the burden sharing. The possibility of introducing minimum contribution amount from the participating countries should also be explored.
4. Also decides the following items.
  - (i) The forms of contribution, in-kind or in cash, may be chosen by the participating countries, taking into account the needs and efficiency of the EANET activities.
  - (ii) A newly participating country should be able to enjoy three-years grace period for burden sharing.
  - (iii) Although a burden sharing principle is a desirable target in the future, it may not be possible to apply immediately. Transitional measures can be applied to some countries to reduce their immediate burden, such as bearing their own travelling expenses to participate in the EANET meetings.
5. Applies the new financial arrangement in paragraph 3 and 4 above from 2005 budget.
6. Decides to review the possibility of developing an international agreement to provide a sound basis for financial contribution.