

The Fifth Session of the Working Group
on Future Development of EANET
12-14 September 2007, Pathumthani, Thailand

FINANCIAL REPORT OF THE SECRETARIAT AND THE NETWORK CENTER IN 2006

I. INTRODUCTION

1. The Secretariat and the Network Center (NC) for the Acid Deposition Monitoring Network in East Asia (EANET) were requested at the Fifth Session of the Intergovernmental Meeting (IG5) held in Pattaya, Thailand in November 2003 to submit their annual financial reports to the participating countries of EANET to increase transparency and accountability of the EANET activities. Based on the request from IG5, this report will be discussed at the Fifth Session of the Working Group on Future Development of EANET (WGFD5) to be held on 12-14 September 2007 in Thailand and at the Seventh Session of the Scientific Advisory Committee (SAC7) on 10-12 October 2007 in Philippines, respectively. This document is for consideration/endorsement at the Ninth Session of the Intergovernmental Meeting (IG9) to be held in November 2007 in Lao PDR.

II. FINANCIAL REPORT OF THE SECRETARIAT

II-1 Regular budget

2. This section presents the financial report of the Secretariat in 2006. The total budget of the Secretariat in said year was US \$ 267,698 and the total expenditures was US \$261,325. The details are presented in Annex 1, Table 1.

3. The expenditures for the year 2006 using the regular budget were broken down into different items, such as: personnel costs, rental of premises (office space), operating cost (cost of meetings and DSA, reporting and publications, stationeries, communication, cost of staff's travel) and overhead..

II-2 Use of the Savings

4. Regarding the implementation of the approved Proposal on the Possible Use of the Previous Savings, the Secretariat's expenses in 2006 was US \$151,776. Please refer to Annex 1, Table 2 for details of the expenses. .

II-3 Revenue

5. This financial report also contains the contributions/revenue from some participating countries of EANET in 2006 such as: Japan (\$ 220,000), Malaysia (\$1,888), Republic of Korea (\$15,025) and Thailand (\$ 2,389) as shown in Table 3 of Annex 1.

III. FINANCIAL REPORT OF THE NETWORK CENTER

6. The total revenue was spent for various activities of EANET without any balance as shown in Table 1 of Annex 2.

7. The actual total revenue was US \$ 1,544,494 including financial contribution from municipalities in Japan and non-reimbursable personnel contribution from other sources. It is consist of US \$649,482 for the core budget activities and US \$895,012 for the additional budget activities. (See Table 2, Table 3 and Table 4 in Annex 2.)

8. Actual expenditures of NC in 2006 with regard to the core and additional budgets activities are shown in Table 5 and 6 of Annex 2. The amounts of expenditure were US \$ 516,814 for the core budget activities and US \$ 739,068 for the additional budget activities. Table 7 shows a breakdown of the expenditures by categories such as salary of staff members, travel costs, meeting costs, etc. NC expenditure was US \$ 1,255,882. In Table 8, expenditures of NC in 2006 for some specific costs such as maintenance of ADORC building, additional personnel cost and non-reimbursable personnel expenditure of host municipality staff (US \$ 187,091) are shown.

9. Total expenditures for NC in 2006 (US \$ 1,544,494) as shown in Table 9 of Annex 2 has included an excess of US \$ 299,494 to the estimated budget of US \$ 1,245,000 shown in Table 7. The reason for the difference between estimated budget and actual expenditure in 2006 is that NC conducted additional activities with appropriate extra revenues to each activities as follows:

- The Ministry of the Environment, Japan provided additional funds for the Third Session of the Working Group on Future Development of EANET (WGFD3).
- The Ministry of the Environment, Japan made other additional contributions with regard to the cost of NC technical missions, research activities and so on.
- NC received non-reimbursable personnel contribution of US \$ 101,521 from relevant organizations, and also financial contribution from research funds in Japan.

The budget for the activities of NC is divided into two parts, i.e. core budget and additional budget.

The core budget: The cost indispensable for promoting the Network activities in the participating countries under the framework of EANET and which are approved by the Intergovernmental Meeting.

The additional budget: The cost for strengthening the Network activities by providing technical assistance to the participating countries and by promoting further research activities.

Annex 1

Table 1- Financial Statement - Regular budget
EANET Secretariat
January – December 2006

Details	Budget 2006 (A)	Actual Expenditure (B)	Commitment for 2006 (C)	Total Expenditure (D) = (B+C)
1. Personnel Costs (Salary, Social Security, Provident Fund, Tax, etc.)	103,065	79,722	-	79,722
2. Rental of premises (as per Contract)	30,000	30,000	-	30,000
3. Operating Costs	121,885	125,375	13,784	139,159
3.1 Reporting Costs	4,000	2,878	1,748	4,626
3.2 Office Supplies	1,000	836	-	836
3.3 Communication	2,000	14,724	-	14,724
- Telephone/Fax/Network	-	6,135	-	6,135
- Postage/DHL	-	8,589	-	8,589
3.4 Travel of Staff for meetings (Expenses include airfare and DSA)	6,200	5,402	-	5,402
3.5 Meetings (including PTA tickets and DSA, venue, food, accommodation, logistics, etc.)	108,685	101,535	12,036	113,571
• Second special session of the Working Group on Future Development of EANET -WGFD-S2	26,626	25,438	-	25,438
• Sixth Session of the Scientific Advisory Committee (SAC6)	31,290	30,218	-	30,218
• Eight Session of the Intergovernmental Meeting (IG8)	50,769	37,115	12,036	49,151
• Postage/DHL	-	2,720	-	2,720
• Proceedings	-	7,168	-	7,168
• Miscellaneous	-	313	-	313
• Air ticket refund for SAC4/IG6	-	(1,437)	-	(1,437)
Sub-total	254,950	235,097	13,784	248,881
4. Overhead (5% of sub-total)	12,748	-	-	12,444
TOTAL for regular activities (Sub-total + overhead)	267,698	235,097	13,784	261,325

Table 2 - Financial Statement Saving Money
EANET Secretariat
January- December 2006

Details	Amount (USD)
1) Saving in 2002 and 2003	465,391
2) Total Expenses in 2004	39,530
3) Total Expenses in 2005	50,889
4) Total Expenses in 2006	151,776
• Travel	1,758
• Meetings	
- National Workshop - Cambodia, Philippines, Lao PDR	16,411
- Scientific Workshop (RSWSWS3)	18,648
• Consultant fee (Dr. Biswas)	5,028
• Fellowship Programme	20,037
• Reporting (RPM)	2,371
• Equipment *	87,523
5) BALANCE on SAVINGS	223,196

* Commitment of 2006

Table 3- Revenue of the Secretariat in 2006

	Name of Country	Contribution in US \$
1	China	15,000
2.	Japan	220,000
3.	Malaysia	1,888
4.	Republic of Korea	15,025
5.	Thailand	2,389
	Total	254,302

Annex 2

**FINANCIAL STATEMENT OF THE NETWORK CENTER
JANUARY TO DECEMBER 2006**

Table 1. Balance between revenue and expenditures including additional contributions of the Network Center in 2006

Items	Core (US\$)	Add. (US\$)	Total (US\$)
1. Total revenue	649,482	895,012	1,544,494
2. Actual expenditures	649,482	895,012	1,544,494
Balance	0	0	0

Table 2. Revenue of the Network Center in 2006 (for Core and additional budget activities only)

Organizations / Activities	Fund Contribution (US\$)		
	Core (US\$)	Add. (US\$)	Total (US\$)
- Ministry of the Environment, Japan (through the contracts with UNEP RRC.AP)	470,008	388,067	858,075
- Ministry of the Environment, Japan (direct supports)	38,964	90,807	129,771
4. Strengthening technical capacity in participating countries			
- Dispatch of technical missions		70,297	70,297
- Communication/coordination with donor agencies		8,136	8,136
7. Research activities			
- Research for improving monitoring methodologies		7,108	7,108
- Other research		5,266	5,266
8. Technical support for EANET meetings			
- Attendance to the EANET meetings	38,964		38,964
- National Institute for Environmental Studies, etc.		155,422	155,422
7. Research activities			
- Research for improving monitoring methodologies (NIAES)		89,650	89,650
- Joint research with Russia (NIES)		65,772	65,772
- Environmental Restoration and Conservation Agency of Japan		81,637	81,637
9. Other activities - Raising of public awareness on acid deposition problems		81,637	81,637
- AEON Environmental Fund		23,135	23,135
7. Research activities			
- Joint research with Thailand		23,135	23,135
- Niigata Prefecture	5,228		5,228
4. Strengthening technical capacity in participating countries			
- Fifth STM meeting	5,228		5,228
- Niigata City	2,614		2,614
4. Strengthening technical capacity in participating countries			
- Fifth STM meeting	2,614		2,614
Total	516,814	739,068	1,255,882

Note: NC was supported financially for the activities of EANET by Niigata Prefecture and subsidized for STM and IG meetings by courtesy of Niigata Prefecture and Niigata City.

Table 3. Revenue of the Network Center in 2006 (for some specific costs from the host municipalities of the Network Center)

Organizations / Items	Core (US\$)	Add. (US\$)	Total (US\$)
- Niigata Prefecture			
Maintenance of ADORC building cost	28,643	33,668	62,311
Financial support for NC activities	50,408	59,252	109,660
- Niigata City			
Non-reimbursable personnel contribution	6,950	8,170	15,120
Total	86,001	101,090	187,091

Note: Non-reimbursable personnel contribution was for a staff from a municipality.

Table 4. Total revenue of the Network Center in 2006

Items	Core (US\$)	Add. (US\$)	Total (US\$)
1. For NC core and additional budget activities	516,814	739,068	1,255,882
2. For some specific costs, e.g. maintenance of ADORC building costs	86,001	101,090	187,091
3. Other non-reimbursable personnel contribution	46,667	54,854	101,521
Total	649,482	895,012	1,544,494

Note:

- 1) Other non-reimbursable personnel contribution: This refers to personnel contribution from Environmental Science Research Niigata (ESRN), Joetsu Environmental Science Center (JOESC), HORIBA Ltd and SHIMADZU Corporation. These organizations are voluntarily contributing to EANET activities. The amount is the total of salaries of the staff members dispatched from those organizations.

Table 5. Expenditures of the Network Center in 2006 (Core budget activities)

Activities	Budget in 2006			Expenditures in 2006		
	Direct Exp. (US\$)	Personnel Exp. (US\$)	Total (US\$)	Direct Exp. (US\$)	Personnel Exp. (US\$)	Total (US\$)
1. Central compilation, evaluation and storage of data etc.	12,000	72,000	84,000	46,702	26,971	73,673
- Data verification	9,000	70,000	79,000	45,066	23,599	68,665
- Maintenance of database	3,000	2,000	5,000	1,636	3,372	5,008
2. Preparation of data report	13,000	12,000	25,000	9,408	13,485	22,893
3. Dissemination of data and relevant information	11,000	14,000	25,000	7,195	16,856	24,051
- Analysis on the state of acid deposition in the region	5,000	10,000	15,000	5,756	13,485	19,241
- Development and updating of EANET website	6,000	4,000	10,000	1,439	3,371	4,810
4. Strengthening technical capacity in participating countries	54,000	36,000	90,000	63,004	20,227	83,231
- Fifth STM meeting	54,000	36,000	90,000	63,004	20,227	83,231
5. Implementation and coordination of QA/QC activities	46,000	26,000	72,000	32,642	26,971	59,613
- Inter-laboratory comparison surveys	44,000	23,000	67,000	31,203	23,599	54,802
- Individual questions and answers	2,000	3,000	5,000	1,439	3,372	4,811
6. Implementation of training activities	2,000	3,000	5,000	1,439	3,372	4,811
- Development of annual training program	2,000	3,000	5,000	1,439	3,372	4,811
8. Technical support to EANET meetings	61,000	51,000	112,000	150,315	60,678	210,993
- Preparation of technical documents	5,000	10,000	15,000	5,755	13,484	19,239
- Attendance at the EANET meetings	28,000	12,000	40,000	121,913	10,113	132,026
- Support for Task Forces						
(1) Task Force on Dry Deposition Monitoring	8,000	5,000	13,000	5,262	10,113	15,375
(2) Task Force on Soil and Vegetation	10,000	8,000	18,000	5,872	13,484	19,356
- Management of the network on soil/vegetation specialists	2,000	4,000	6,000	1,439	3,371	4,810
- Other follow-up activities of the meetings	8,000	12,000	20,000	10,074	10,113	20,187
10. Administrative works	3,000	16,000	19,000	13,950	23,599	37,549
- Communication/coordination	1,000	7,000	8,000	6,513	10,114	16,627
- Management of budget and personnel	1,000	7,000	8,000	5,998	10,114	16,112
- Miscellaneous	1,000	2,000	3,000	1,439	3,371	4,810
Total	202,000	230,000	432,000	324,655	192,159	516,814

- Note: 1) The number of each activity is the same with the number described in the Attachment 2 of “The Work Program and Budget in 2006 for EANET” (EANET/IG 7/11.rev).
- 2) The revenue balances with the expenditures in 2006.
- 3) Core budget: Refer to the column in page 3.

Table 6. Expenditures of the Network Center in 2006 (Additional budget activities)

Activities	Budget in 2006			Expenditures in 2006		
	Direct Exp. (US\$)	Personnel Exp. (US\$)	Total (US\$)	Direct Exp. (US\$)	Personnel Exp. (US\$)	Total (US\$)
4. Strengthening technical capacity in participating countries	32,000	65,000	97,000	77,546	23,597	101,143
- Dispatch of technical missions	10,000	40,000	50,000	60,182	10,113	70,295
- Assistance and technical support to individual countries	22,000	15,000	37,000	12,600	10,113	22,713
- Communication/coordination with donor agencies	0	10,000	10,000	4,764	3,371	8,135
6. Implementation of training activities	50,000	73,000	123,000	36,568	64,054	100,622
- Development of training materials, technical documents	15,000	15,000	30,000	7,204	16,856	24,060
- Assistance for national training activities	5,000	15,000	20,000	5,763	13,484	19,247
- Coordination with and support to other training programs	5,000	10,000	15,000	7,145	13,485	20,630
- Individual training at NC	25,000	25,000	50,000	15,015	16,857	31,872
- Communication/coordination with donor agencies	0	8,000	8,000	1,441	3,372	4,813
7. Research activities	114,000	107,000	221,000	277,083	50,570	327,653
- Research for improving monitoring methodologies	36,000	54,000	90,000	153,824	20,228	174,052
- Fellowship	13,000	7,000	20,000	30,757	3,372	34,129
- Joint research with Russia	24,000	20,000	44,000	59,029	6,743	65,772
- Joint research with Thailand	20,000	6,000	26,000	16,392	6,743	23,135
- Other research	21,000	20,000	41,000	17,081	13,484	30,565
9. Other activities	56,000	34,000	90,000	88,328	23,598	111,926
- Raising of public awareness on acid deposition problems	56,000	34,000	90,000	88,328	23,598	111,926
10. Administrative works	3,000	49,000	52,000	33,670	64,054	97,724
- Communication/coordination	1,000	20,000	21,000	16,410	26,970	43,380
- Management of budget and personnel	1,000	20,000	21,000	12,937	26,970	39,907
- Miscellaneous	1,000	9,000	10,000	4,323	10,114	14,437
Total	255,000	328,000	583,000	513,195	225,873	739,068

Note: 1) The number of each activity is the same with the number described in the “The Work Program and Budget in 2006 for EANET” (EANET/IG 7/11.rev).

2) The revenue balances with the expenditures in 2006.

3) Additional budget: Refer to the column in page 3.

Table 7. Expenditures of the Network Center in 2006 (by each expenditure item for core and additional budget activities)

Items	Expenditures (US\$)	Budget (US\$)
- Salary of staff members	418,032	558,000
- External consultants/assistants	136,121	94,500
- Travel costs	192,899	96,000
- Meetings	216,514	126,000
- Communication	73,864	38,000
- Reporting (publication)	34,849	22,000
- Equipment	91,544	17,500
- Consumables	84,276	57,000
- Miscellaneous	7,783	6,000
(Sub) Total	1,255,882	1,015,000
- Other specific costs*	187,091*	230,000
- Other non-reimbursable personnel expenditures	101,521	0
Total	1,544,494	1,245,000

Note: * See Table 8 below.

Table 8. Expenditures of the Network Center in 2006 (for some specific costs, e.g. maintenance of ADORC building)

Organizations / Items	Core (US\$)	Add. (US\$)	Total (US\$)
Maintenance of ADORC building cost	28,643	33,668	62,311
Additional personnel cost	50,408	59,252	109,660
Non-reimbursable personnel expenditure	6,950	8,170	15,120
Total	86,001	101,090	187,091

Note: 1) Core and additional expenditures for the maintenance of ADORC building were allocated based on the ratio of each expenditure in the total.

2) Non-reimbursable personnel expenditure was for a staff from a municipality.

Table 9. Total expenditures of the Network Center in 2006

Items	Core (US\$)	Add. (US\$)	Total (US\$)
1. NC core and additional budget activities	516,814	739,068	1,255,882
2. Some specific costs, e.g. maintenance of ADORC building	86,001	101,090	187,091
3. Other non-reimbursable personnel expenditures	46,667	54,854	101,521
Total	649,482	895,012	1,544,494

Note: Other non-reimbursable personnel expenditures were for staff members from Japanese private companies.