

The Working Group Meeting in 2021 Session 1
Acid Deposition Monitoring Network in East Asia
20-22 April 2021, Virtual Meeting

EANET PROJECT FUND AND PROJECT GUIDELINE

I. INTRODUCTION

1. This report provides information regarding the Project Fund and Project Guideline of the Acid Deposition Monitoring Network in East Asia (EANET). It is prepared in line with the Medium Term Plan (MTP) for the EANET (2021-2025) and Decisions of the Intergovernmental Meeting (IG22) on EANET. The process and timeline for developing the EANET Project Fund and Project Guideline align with the Workplan for Expansion of Scope of EANET and EANET Project Fund and Project Guideline (EANET/WG2021-1/4).
2. The “EANET Project Fund and Project Guideline” (EANET/WG2021-1/6) is presented as an Attachment to this report.

II. ACTIONS REQUIRED

3. The Working Group Meeting in 2021 Session 1 (WG2021-1) is invited to review “EANET Project Fund and Project Guideline” and may wish to consider, discuss, provide guidance, and make recommendations to the IG23 for its review, guidance, and approval, as appropriate.

Attachment

EANET PROJECT FUND AND PROJECT GUIDELINE

I. INTRODUCTION

1. In the Decisions of the Twenty-second Session of the Intergovernmental Meeting (IG22) on EANET, it was stated that the Session agreed with the basic concept of Project Fund as described in Medium Term Plan (MTP) for the EANET (2021-2025). As a follow-up, the IG22 requested the Secretariat and the Network Center (NC) to develop the Project Fund mechanism and supporting documents for discussion at the Working Group meetings before IG23 for its consideration and adoption.
2. The MTP for the EANET (2021-2025), approved by IG22, recognizes two financial means of EANET: 1) Core Budget and 2) a new financial arrangement, which is called tentatively in 2021 “Non-Core Budget” and in this document will be referred to as “Project Fund”.
3. By referring to the MTP (2021-2025), the Core Budget is allocated for the implementation of Core Activities. The Core Budget source is from the annual voluntary financial contributions of the Participating Countries, and the amount is calculated based on UN Scale Voluntary Assessment (2019-2021).

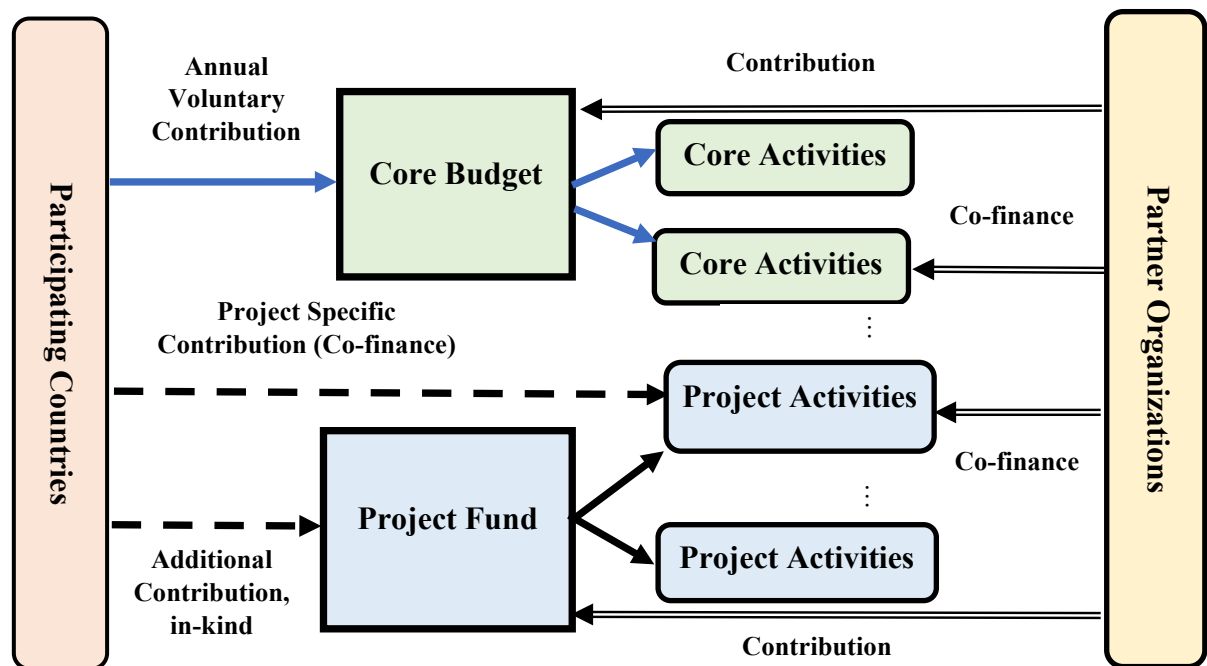
II. EANET PROJECT FUND

II.1 Definition and Scope of EANET Project Fund and Project Activities

4. The Project Fund is the fund obtained from different sources other than the EANET Core Budget to be allocated for the implementation of Project Activities, with the approval of the Intergovernmental Meeting (IG) (Instrument Item 14/6). In its implementation, the Project Fund will be managed separately from the Core-Budget.
5. The Project Fund is dedicated to implementing individual projects categorized as Non-Core Activities. The Project Fund sources could be borne from the Participating Countries' additional financial contributions, such as additional voluntary contributions, in-kind contributions of the Participating Countries, and other external entities (project partners, donors), allowing activities to be linked to the Non-Core Budget.
6. Project Activities are defined as EANET activities that are not part of the Core-Activities, aiming to bring flexibility and possibility to engage new types of activities for EANET. Project Activities could include activities proposed to the IG as Non-Core Activities:

- a. with financial support from external partners or donors (contribution or co-finance);
- b. with financial support from a Participating Country or some Participating Countries outside their contributions to Core-Budget;
- c. with other sources of funding by mobilizing external and internal resources (surplus, in-kind).

Fig. 1 Contributions from the Participating Countries and Co-finance Mechanism



7. Once approved by the IG, the Project Fund and Project Guideline will be implemented fully by following the scope of EANET.

II.2 Project Governance

8. The Project Governance of the Project Fund and Project Activities refers to the Governance of EANET. As the highest decision-making body of EANET, the tasks of **the Intergovernmental Meeting (IG)** in the implementation of Project Fund and Project Activities include:
 - a. Review and approve the Project Proposal and arrangement of Project Fund;
 - b. Review, evaluate and approve of Progress and Final Activities Reports (including interim and final financial reports) of Project Activities;
 - c. Approve the completion and closing of the Project Activity;
 - d. Provide necessary instructions and guidance to Secretariat and the NC regarding the implementation and continuation of Project Activities;
 - e. Provide necessary instructions to subsidiary bodies related to Project Activities;

- f. Adopt rules and procedures for EANET related to Project Fund and Project Activities; and
 - g. Decide other matters related to the EANET and Project Activities implementation management, including deciding the Extraordinary IG organization to make any crucial and immediate decisions related to Project Fund and Project Activities.
9. **The Scientific Advisory Committee (SAC)** will advise and assist the IG with various scientific and technical matters related to Project Activities as mandated by the IG. These matters include:
- a. Review and consider the Project Proposal from scientific and technical viewpoints, and provide the consideration for the IG;
 - b. Review and evaluate the Progress and Final Activities Reports (including interim and final financial reports) of Project Activities from scientific and technical viewpoints, and provide the consideration for the IG;
 - c. Consider the completion and closing of the Project Activity from scientific and technical viewpoints, and provide the consideration for the IG;
 - d. Provide necessary instructions and guidance to Secretariat and the NC regarding the implementation and continuation of Project Activities from scientific and technical viewpoints;
 - e. Provide necessary instructions to subsidiary bodies related to Project Activities from scientific and technical viewpoints;
 - f. Consider rules and procedures for EANET related to Project Fund and Project Activities from scientific and technical viewpoints; and
 - g. Consider other matters related to the EANET and Project Activities implementation management, including deciding the Extraordinary IG organization to make any crucial and immediate decisions related to Project Fund and Project Activities from scientific and technical viewpoints.
10. The Participating Countries, through their **National Focal Points (NFPs)**, will carry out the following tasks by following the guidance of IG:
- a. Provide support in strengthening partnership with international and regional donor agencies and other environmental initiatives by linking Project Partner(s)/ Donor(s) to work with Project Lead to discuss project concept and develop project proposal;
 - b. Provide administrative arrangement for Project Activities and financial arrangements where their Countries serves as Project Lead;
 - c. Encourage additional voluntary financial contributions and in-kind contributions where possible;
 - d. Encourage support and funds from any research foundations and regional scale projects.

11. The Project Fund's objective is to attract implementing partners/donors to collaborate with EANET to implement Project Activities. Therefore, to implement Project Activities, **Implementing Partner(s)/Donor(s)** will be engaged. In this case, the Implementing Partner(s)/Donor(s) could carry out the tasks as the following:
 - a. Communicate with EANET regarding potential Project Activities and development of project proposal;
 - b. Provide administrative arrangement for Project Activities and financial arrangements where their Institutions serves as Project Lead;
 - c. Ensure available funds to be allocated and feasibility of the fund mobilization to implement Project Activities;
 - d. With the approval of IG, attend the IG meeting to support or present project proposal at IG;
 - e. Once IG approves the project proposal, work closely to ensure financial and administrative arrangement from their institutions to implement Project Activities in line with the approved Project Proposal.

12. **The Secretariat** will carry out the following tasks under the guidance of the IG:
 - a. Provide necessary administrative arrangements for organizing the meetings to discuss and report Project Activities to the IG, Scientific Advisory Committee (SAC), and other subsidiary bodies;
 - b. Provide administrative arrangement for Project Activities and financial arrangements where the Secretariat serves as Project Lead;
 - c. Communicate and cooperate regarding administrative and financial arrangements of Project Activities with National Focal Points (NFPs), the NC, Project Partners/ Donors where the Secretariat serves as Project Lead;
 - d. Provide support in strengthening the partnership with international and regional donor agencies and other environmental initiatives by encouraging the submission of project proposals;

13. **The Network Center (NC)**, with the guidance of IG, will carry out the following tasks:
 - a. Provide administrative and financial arrangements for Project Activities where the NC serves as the Project Lead;
 - b. Communicate and cooperate with National Focal Points, Secretariat, and project partners/donors concerning administrative and implementation of Project Activities where the NC serves as Project Lead;
 - c. Provide support in strengthening the partnership with international and regional donor agencies and other environmental initiatives by encouraging the submission of project proposals;

II.3 Establishment of the Project Fund

14. The Project Fund will be established at and managed by the Fundholder, which is designated by IG. The Fundholder will establish and implement the Project Fund by following its organization's administrative and financial rules and regulations. The account of Project Fund will be established as a separate account from the Core-Budget. The Project Fund's establishment at the Fundholder will be implemented immediately once the IG approves the Project Fund and Project Guidelines.

II.4 Management of the Project Fund

15. The Fundholder will carry out the tasks by following the guidance of the IG and in line with the revision of Guidelines on the Administrative and Financial Management for the Secretariat and the NC. The Project Fund Financial Report will be submitted annually to the IG by the Fundholder for review and approval.

II.5 Project Fundraising

16. The Secretariat, the NC, and Participating Countries will support Project fundraising by strengthening the partnership with international and regional donor agencies and other environmental initiatives by encouraging the submission of project proposals, additional voluntary financial contributions, and in-kind contributions for Project Activities from Participating Countries and encourage support and funds from any research foundations and regional scale projects as Project Activities.

III. EANET PROJECT GUIDELINE

III.1 Introduction

17. Project Activities are important vehicles to gather collective and individual action of the Participating Countries to flexibly implement various activities by involving implementing partners/donors to implement the activities and co-finance. EANET Project Guideline provides guidance for internal EANET and potential implementing partners/donors regarding how to prepare the project proposal, submission for approval, funding process, implementation, and monitoring & evaluation.

III.2 Roles in Managing Project Activities

18. **The Project Lead**, in line with Project Governance, refers to entities that lead the implementation of Project Activities: **the NC, the Secretariat, Participating**

Country(ies) (through NFPs), and Project Partner(s). The Project Lead will be responsible to:

- a. Lead in developing the concept, design, and preparation of project concept note and project proposal;
- b. Lead in communication and preparation administrative and implementation of Project Activities;
- c. Submit the project proposal to the SAC meeting (for review) and IG (for review and approval);
- d. Oversee overall stages of the project cycle management of EANET Project Activities starting from the planning and implementation until the project's closing;
- e. Prepare project progress and final reports as well as interim/final financial report.

19. **National Focal Point(s) (NFPs)** may serve as Project Lead of Project Activities for fully supported activities by the Countries of the NFPs. The NFPs, assisted by the NC or the Secretariat, may prepare the concept note and project proposal to be submitted to the SAC meeting (for review) and IG meeting (for review and approval). In addition, the NFPs may also support strengthening the partnerships with international and regional donor agencies and other environmental initiatives by linking project partners/ donors to work with the Project Lead to discuss project concepts and develop a project proposal. In this case, NFPs could also review the project proposal before submission to the SAC/IG meeting.

20. **Project Partner(s)/ Donor(s)** of EANET Project Activities refers to external entities of EANET that will collaborate and co-finance Non-core Activities of EANET by utilizing full or partial external sources of funds. **Project Partner(s)**, which could be external entities outside EANET or Participating Country(ies), refers to entities that work collaboratively with the Project Lead to jointly implement a project activity by providing co-finance as reflected in the project proposal. **Donor(s)** refers to entities that provide funds for implementing Project Activities but are not involved in the project implementation. Donor(s) could be external entities outside EANET or Participating Country(ies) through the provision of additional funds or in-kind contributions. In this case, the Donor(s) will let the Project Lead implement the activities by following the approved project proposal. Project Partners may serve as Project Lead of Project Activities that are fully supported by the Project Partners. In this case, Project Partners, assisted by the NC or the Secretariat, may prepare the concept note and project proposal to be submitted to the SAC meeting (for review) and IG meeting (for review and approval).

21. **The Fundholder** for EANET Project Activities refers to the role of an internal entity of EANET. The Fundholder will receive the funds from Project Partners/Donors or other sources than Core Budget to implement the Project Activities. The Fundholder will manage the funds by following its organization's rules and regulations, involving the management fee of 15% from the project fund.

III.3 Project Cycle Management of EANET Project Activities

22. The implementation of EANET Project Activities will follow stages of Project Cycle Management, among others: 1) Project Planning and Preparation; 2) Review and Approval of Project Proposal; 3) Implementation of Project Activities; 4) Reporting, Evaluation, and Approval of Reports; 5) Completion & Closing of Project Activities, and 6) Documentation of Lessons Learned.

1. Project Planning and Preparation

- a. Develop the Concept Note¹:
 - The Project Lead will discuss the preparation of the Concept Note of the Project Activities;
 - The Project Lead will ensure adequate time to prepare the Concept Note, consultations, and develop Project Proposals.
 - The Project Lead will ensure that the Concept Note is in line with the objectives and scope of EANET and for the benefit of Participating Countries.
 - The Project Lead will ensure effective human resources (HR) arrangements and budget planning of Project Activities.
- b. Develop the Project Proposal²:
 - The Project Lead will develop the Project Proposal by referring to the Concept Note.
 - The Project Partner(s)/Donor(s) may share a Letter of Commitment to implement the Project Proposal.
- c. Develop the draft Agreement(s) (if applicable):
 - The Project Lead and Project Partner(s)/ Donor(s) will develop the draft Agreement(s) (financial agreement, MoU, etc.) between Project Lead, Fundholder, and Project Partners/Donors' institutions.
 - The Project Lead will submit the draft Agreements together with Project Proposal to SAC and IG meetings.

2. Review and Approval of Project Proposal

- a. Review by the SAC:
 - The Project Lead will inform the Secretariat regarding the submission of the Project Proposal (if applicable, may include Commitment Letter, draft Agreement(s)) to the SAC and IG meetings (to be submitted at least one month before the actual SAC meeting).

¹ Template of the Concept Note is available in Annex 1

² Template of Project Proposal is available in Annex 2

- With the SAC's approval, the Secretariat will invite the Project Partner(s)/Donor(s) to attend the SAC meeting.
 - The SAC members will review the proposal from technical and scientific viewpoints and make recommendations to IG.
- b. Review and approval by IG:
- The Secretariat will submit the Project Proposal to the IG meeting for review and approval (to be submitted at least one month before the actual IG meeting).
 - With the approval of IG, the Secretariat will invite Project Partner(s)/Donor(s) to attend the IG meeting.
 - The Project Manager will be invited to present the proposal at the IG meeting.
 - The IG will review the proposal by considering the SAC meeting recommendations and approve the Project Proposal, as appropriate.

3. Implementation of Project Activities

- a. Finalize agreements and financial arrangements of the Project Activities (if applicable):
- Upon receiving IG's approval, the Project Lead will finalize the agreements with Project Partner(s)/Donor(s) and sign the agreement as soon as possible.
 - After signing the agreements, the fund disbursement process will be managed by the Fundholder.
 - The Fundholder will confirm the completion of agreements and fund disbursement arrangements and inform the Project Lead and Project Partner(s)/Donor(s). The fund is disbursed to the Project Lead when the project is completed. At this stage, Project Activities could be started immediately.
- b. Implementation:
- The Project Lead and partners will implement Project Activities by following the approved arrangement by referring to the Project Proposal.
 - The Project Lead will oversee the overall implementation of Project Activities by considering the funds' arrangements.
 - The Project Lead will be responsible for providing technical inputs in the implementation of Project Activities.
- c. Monitoring:
- The Project Lead will monitor project performance and ensure the Project Activities deliver the expected outcomes by following the agreed results framework.

- The Project Lead will monitor activities' progress and justify whether the project could be implemented timely or require an extension.

4. Reporting, Evaluation, and Approval of the Reports

a. Reporting³:

- **The Progress Activities Report** will be submitted to SAC (for review) and IG (for review and approval) meeting if 1) the length of the project period is more than one cycle of the EANET calendar year, and 2) the project is less or within one cycle of the EANET calendar year but requires project extension. The Progress Report will inform the following: 1) the latest project implementation status in line with expenses; 2) Interim Financial Report⁴; The work plan for continuing project activities after the SAC/IG meeting. If the project requires an extension, the justification should be made together with the work plan. Additionally, the budget plan should be developed, and the budget source should be informed (the budget plan is not needed for no-cost extension).
- **The Final Activities Report** will be submitted to the SAC (for review) and IG (for review and approval) meeting if: 1) The project period's length is less than one cycle of the EANET calendar year and can be completely closed timely. In this case, the Progress Report is not needed, and 2) The project is completely closed. The Final Report will inform the following: 1) the outcomes and results of Project Activities in line with expenses; 2) the Final Financial Report.

b. Evaluation:

- The Project Lead may evaluate the Project Activities as necessary.
- The SAC will evaluate the Progress/ Final Activities Reports from a technical and scientific viewpoint and provide recommendations to the IG.

c. The approval of IG on the Progress/ Final Activities Reports:

- After reviewing the Progress/Final Reports and considering self-evaluation and Evaluation of the SAC, the IG will decide whether to approve the Progress and Final Activities Reports.
- Concerning the Progress Activities Report, if approved, the IG will request the Project Lead to continue with the project implementation as per the report's work plan.
- Concerning the Final Activities Report, if approved, the IG will request Project Lead to initiate the project's completion and closing immediately after IG.

³ Template of Progress and Final Activities Report are available in the Annex 4

⁴ Template for Interim/Final Financial Report is available in Annex 5

5. Completion & Closing of Project Activities

- a. Initiate and coordinate operational, financial, and administrative closure:
 - The Project Lead and partners, and the Fundholder will prepare the process to initiate operational, financial, and operational closure of the Project Activities, including termination of the agreement and refund/ reallocation of unspent budget, if applicable.
 - The Fundholder will provide a final financial report to Project Partner(s)/Donor(s).
- b. Finalize exit strategy:
 - The Project Lead and Project Partners will implement the exit strategy as mentioned in the Final Activities Report.
 - The Exit Strategy will be incorporated in upcoming relevant project proposals, and it will show the continuity of EANET activities.

6. Documentation of Lessons Learned

The lessons learned from the implementation of the Project Activities will be developed and be used as a reference in initiating other relevant Project Activities. They will be stored on the EANET website as part of the knowledge management repository.

Application Forms:

Annex 1. Template of the Concept Note

Annex 2. Template of the Project Proposal

Annex 3. Operational and HR Budget Plan (use the template below)

Annex 4. Template of Progress and Final Activities Reports

Annex 5. Template of the Interim/Final Financial Report

Annex 1. Template of the Concept Note⁵

Project Title			
Project Objective			
Project Duration	<i>(Month/Year – Month/Year)</i>		
Project Lead (Project Manager)	<i>[Name of Project Lead and contact details (Name of Project Manager as the Focal Point)</i>		
Project Partner(s)/ Donor(s)	<i>[Name of Project Partner(s)/ Donor(s)] and contact details (Name of Focal Point of Project Partner(s)/ Donor(s)</i>		
Project Beneficiaries	<i>(List of Participating Countries as beneficiaries of the Project Activity)</i>		
a:Expected Funds from EANET Project Fund	US\$		
b:Expected funds from Project Partner(s)/ Donor (s) ※	US\$	Name of the sources of the funds	
c:Management cost of Project Fund c=(a+b) × 0.15	US\$		
d:Grand Total Cost (d=a+b+c)	US\$		
Available Commitment Letter of Project Partner(s)/ Donor(s)	<i>(Yes/No)</i>		

※b: Expected funds from Project Partner(s)/Donor is equal to or more than a: Expected Funds from EANET Project Fund

⁵ All submitted documents should be developed in Times New Roman, size 12, single space

Annex 2. Template of the Project Proposal

Propose a clear and realistic implementation plan to address all project goals in this part significantly. The following contents should be included to specifically describing the implementation of the project.

- Introduction, including background and the existing problem.
- Specific solution ways and how to address the problem.
- Expected outputs, any innovation, sustainability, and impact of the project contribute to participating countries' air quality improvement or mitigating air pollution.
- Implementation plan.

Annex 3. Operational and HR Budget Plan (use the template below)

Items	Project Lead/ Project Partners	Notes	Quantity	Unit	Unit Cost (US\$)	Year 1 (US\$)	Year 2 (US\$) <i>(if applicable)</i>	Total Cost (US\$)
Activity 1.1:								
Personnel costs						0	0	0
Travel costs						0	0	0
Operational costs						0	0	0
Total costs of Activity 1.1						0	0	0
Activity 1.2:								
.....								
e: Total personnel costs						0	0	0
f: Total travel costs						0	0	0
g: Total operational costs						0	0	0
h: Management cost of Project Fund ($h=(e+f+g) \times 0.15$)								
i: GRAND TOTAL COST ※1 ($i=e+f+g+h$)						0	0	0

※1 This figure (i) equals to d: Grand Total Cost in Annex 1

Annex 4. Final Activities Reports

Summary of Project Activity	<i>Provide a summary of the progress of the project activity (max 500 words)</i>
Performance Remarks and Highlights	<p><i>Describe:</i></p> <ul style="list-style-type: none"> • <i>the status of implementation at the time of reporting, including collaboration with other Partners;</i> • <i>progress towards achieving the agreed objectives and expected results;</i> • <i>activities are undertaken to support or contribute mitigation of air pollution/improvement of air quality, sustainability in the EANET participating countries if any;</i> • <i>the visibility provided to the EANET (e.g., press, side events, and other outreach efforts);</i> • <i>other relevant information.</i>
Implementation challenges and management actions	<i>Describe main implementing challenges, if any, and strategy/actions that have been adopted to address the challenges and planned actions to mitigate any identified risks.</i>
Project Policy Implications	<i>EANET activities should meet various needs of participating countries of EANET to improve the atmospheric environment in this region. The governments of the Participating Countries cooperatively or independently take necessary actions by implementing policies for the objects utilizing the EANET system, including the projects described in this document. Please describe what kind of policy implications enable the implementation of the project.</i>

Annex 5. Template of the Interim/Final Financial Report

Interim/Final Financial Report (US\$) <i>(as of Date/Month/Year)</i>		
Expenditure Categories	Budget ※	Actual Expenditure
Activity 1.1:		
Personnel costs		
Travel costs		
Operational costs		
Total costs of Activity 1.1		
Available Balance		
Activity 1.2:		
....		
j: Total Personnel Cost		
k: Total Travel Cost		
l: Total Operational Costs		
m: Total Management Cost of Project Fund m=(j+k+l)×0.15		
n: Grand TOTAL COST (n=j+k+l+m)		
Available Balance		

※ Equal to Total Cost in Annex 3