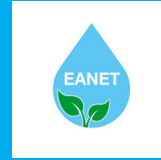


EANET/WG2021-2/5/P



## Agenda Item 5 – Consideration of EANET Project Fund and Project Guideline

The Working Group Meeting in 2021 Session 2 (WG2021-2) for the EANET

18-20 August 2021/ Virtual Meeting

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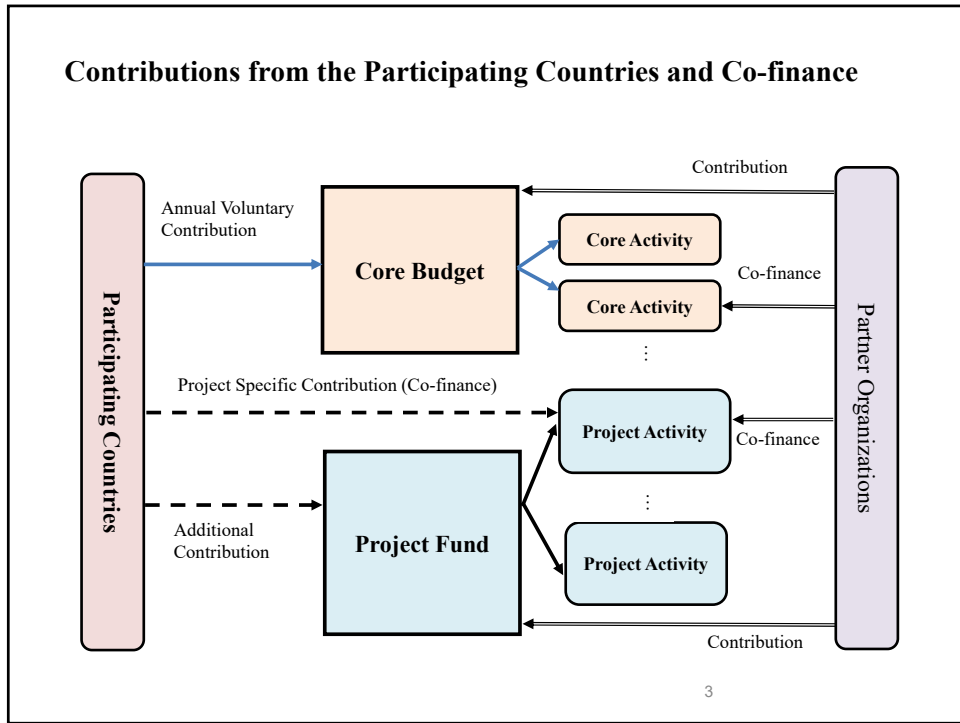
### I. INTRODUCTION (1)

- This report provides **updated information regarding the Project Fund and Project Guideline** of the Acid Deposition Monitoring Network in East Asia (EANET) to the version presented at the Working Group Meeting in 2021 Session 1 (WG2021-1). It was prepared **in line with the Medium Term Plan (MTP) for the EANET (2021-2025) and the 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)**.
- **The Secretariat received Japan's proposal for the EANET Project Fund and Project Guideline on 24 May 2021** as an alternative text to the earlier version of the Project Fund document discussed at the WG2021-1. Subsequently, the Secretariat **circulated** the Japan proposal document to all National Focal Points **on 26 May 2021**. Japan prepared the document by considering the first draft document submitted to the WG2021-1. The Secretariat has **accommodated the inputs** reflected in this second draft of the Project Fund and Project Guideline. In the next slide is the table explaining the rearrangement of the section in the report from the document presented at the WG2021-1 and Japan's proposal.
- In section VI, the report provides information related to the arrangement of the EANET Project Fund Holder. In line with this, a note is provided to suggest the designation of the Asia Center for Air Pollution (ACAP) to function as EANET Project Fund Holder during the transition period (1-2 years) after the approval of the Project Fund and Project Guideline by the IG (see **Annex to the Report: Recommendation to Assign the Asia Center for Air Pollution Research (ACAP) as EANET Project Fund Holder During the Transition Period**).

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### Contributions from the Participating Countries and Co-finance



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## I. INTRODUCTION (2)

Project Fund Mechanism	
<p><b>Draft of SEC EANET PF and Project Guideline</b></p> <p>I. Introduction</p> <p>II. EANET Project Fund</p> <ul style="list-style-type: none"> <li>II.1 Definition and Scope of EANET PF and Project Activities</li> <li>II.2 Project Governance IG, SAC, NFPs, Partner/Donor, Sec., NC</li> <li>II.3 Establishment of the PF</li> <li>II.4 Management of the PF</li> <li>II.5 Project fundraising</li> </ul> <p>III. EANET Project guideline</p> <ul style="list-style-type: none"> <li>III.1 Introduction</li> <li>III.2 Roles in Managing Project Activities PL, NFPs, Partner/Donor, Fund holder</li> <li>III.3 Project Cycle Manage. of Project Activities                             <ol style="list-style-type: none"> <li>1. Project planning and preparation</li> <li>2. Review and approval of project proposal</li> <li>3. Implementation of project activities</li> <li>4. Reporting, evaluation, and approval of the reports</li> <li>5. Completion &amp; closing of project activities</li> <li>6. Documentation of lessons learned</li> </ol> </li> </ul>	<p><b>Draft of Japan Guideline for EANET PF and EANET Project</b></p> <p>I. Overall Structure</p> <ol style="list-style-type: none"> <li>1 Scope and Objectives of the Guidelines</li> <li>2 Definitions</li> <li>3 Principles of the Preparation, Selection, resource allocation, and Implementation of the EANET projects</li> <li>4 Project Cycle of EANET Projects Preparation, Approval, Implementation, Completion</li> <li>5 Stakeholders of the EANET Project and PF PL, Implementation Agencies, Partner Org., Co-financers</li> </ol> <p>II. Detailed Procedures for Each Stages</p> <ol style="list-style-type: none"> <li>1 Preparation stage</li> <li>2 Approval stage</li> <li>3 Implementation stage</li> <li>4 Completion stage</li> </ol> <p>III. EANET Project Criteria</p> <p>IV. Assistance for Project Preparation</p> <p>V. EANET PF</p> <p>VI. EANET PF Holder</p>

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## **EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (1)**

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### **I. OVERALL STRUCTURE**

#### **1. Scope and Objectives of the Guideline**

The Guideline applies for:

- EANET Project Fund;
- EANET Projects.

The Guideline is to:

- Define EANET Project Fund and EANET Projects;
- Provide guidance to stakeholders to design, propose, apply EANET Project Fund, and implement EANET Projects;
- Provide guidance to Participating Countries to select, approve and allocate EANET Fund to and evaluate EANET Project;
- Define the roles and responsibilities of the Participating Countries, the Secretariat (hereinafter abbreviated as SEC), the Network Center (hereinafter abbreviated as NC), Subsidiary Bodies of the EANET, and other stakeholders.

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## **EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (2)**

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### **I. OVERALL STRUCTURE**

#### **2. Definitions**

- **The EANET Project Fund** is the fund newly introduced and defined by the Medium Term Plan (MTP) for the EANET (2021-2025) at IG22. The basic features are described in the MTP (2021-2025). **The EANET Project Fund is referred to as the Fund in this Guideline.**
- **The EANET Projects** (hereinafter abbreviated as **EPRs**) are a set of projects defined by the Medium Term Plan (MTP) (2021-2025) to conduct specific non-core activities to achieve EANET objectives, using the EANET Project Fund, in accordance with the MTP and other EANET guiding documents. Each EPR shall be clearly defined by the **EANET Project Plan** (hereinafter abbreviated as **EPP**), which shall be approved by the IG. Implementation of the EPRs shall be monitored and reviewed by the IG.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (3)

### I. OVERALL STRUCTURE

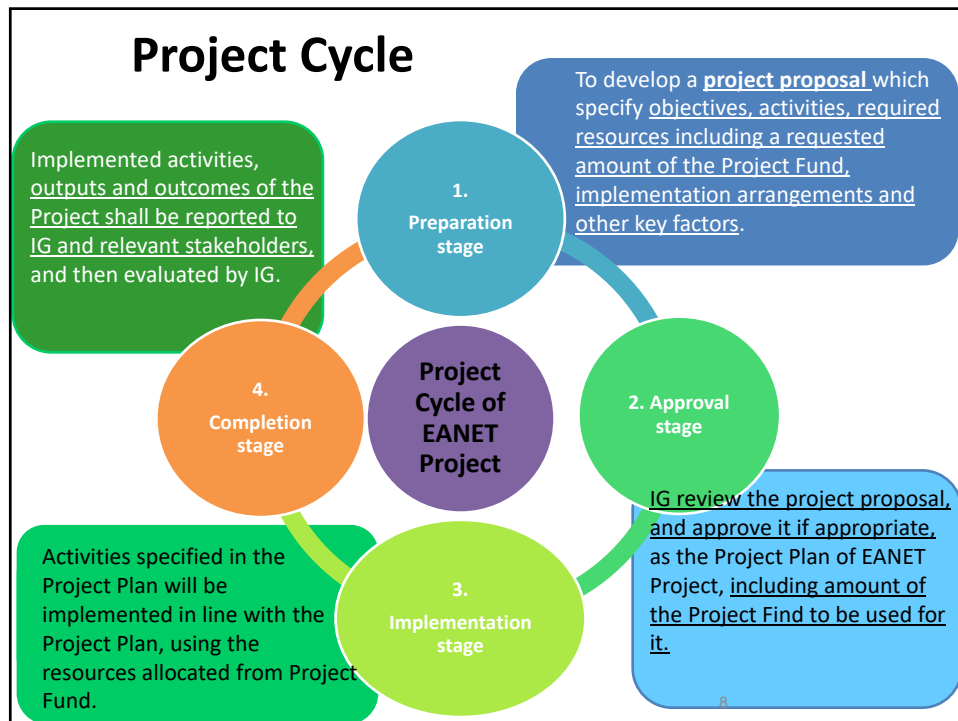
#### 3. Principles of the Preparation, Selection, Resource Allocation, and Implementation of the EANET Projects

Principles of the preparation, selection, resource allocation, and implementation of the EANET Projects are provided by this Guideline, as well as the following documents:

- The Instrument for Strengthening the Acid Deposition Monitoring Network in East Asia (hereinafter referred to as 'the Instrument');
- The Supplementary Document (Annex) to the Instrument to be adopted at IG23;
- Relevant MTP, which includes guidance for a specific 5-year period;
- Relevant EANET Annual Work Programme and Budget (WPB), which may include general guidance for the respective year;
- Relevant IG decision, which may include some additional guidance.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (4)

### I. OVERALL STRUCTURE

#### 4. Project Cycle of the EANET Projects

The project cycle of a certain EANET Project consists of the following stages:

- 1) **Preparation Stage:** to develop a draft **EPP** which specifies objectives, activities, required resources, including a requested amount of the Project Fund, implementation arrangements, and other key factors. Development of the Project Plan needs consultations with potential partners to identify co-financing resources and assistance of the SEC and the NC. Only the Project Plans that meet the **EANET Project Criteria (EPC)** can go to the Approval Stage.
- 2) **Approval Stage:** IG reviews the draft **EPP** and approves them selectively if appropriate, including the amount of the EANET Project Fund (EPF) to be allocated for each approved EPP, considering the availability of the EPF and various factors such as balances among Participating Countries (PCs), objectives, and priority of EANET, comprehensively.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (5)

### I. OVERALL STRUCTURE

#### 4. Project Cycle of the EANET Projects (*Continued*)

The project cycle of a certain EANET Project consists of the following stages:

- 3) **Implementation Stage:** Once the IG approves the draft EPP, the activities specified in the EPP will be implemented in line with the EPP, using the resources allocated from the EPF and other resources from Co-financers. Implementation of the EPP should take into account the comments and suggestions made by PCs and SAC members and follow the guidance of the IG.
- 4) **Completion Stage:** Implemented activities, outputs, and outcomes of the Project, together with the financial statements, shall be summarized in the Project Completion Report (PCR) and reported to the IG for its review and endorsement. Once the PCR is endorsed, it will be shared with relevant stakeholders. The EPRs shall be evaluated using separate guidelines, which will be defined by the IG.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (6)

### 5. Stakeholders of the EANET Project and EANET Project Fund

**1) Project Lead (PL):** One or group of following entities which is to take the lead in preparation and implementation stage, and reporting of the Project, and to be accountable for entire project implementation:

- The organization liaised by the National Focal Point (NFP) of EANET Participating Country;
- The SEC, the NC, and Subsidiary Bodies of the EANET.

If PL is a group of entities, a certain entity of the group member should be assigned as a fully accountable group for the Project against IG.

**2) Implementation Agencies (IAs):** One or more of the following entities which are to implement the activities of the Project utilizing the resources as specified in the Project Plan:

- The organization liaised by the NFP of EANET Participating Country;
- The organization designated by an EANET Participating Country;
- The SEC, the NC, and EANET Subsidiary Bodies;
- International, regional, or subregional organizations, including UN bodies, development banks, and non-profit organizations;
- Academic institutes.

Organizations in non EANET Participating Countries could be one of the IAs if the IG agrees to such arrangement for specific Projects.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (7)

### 5. Stakeholders of the EANET Project and EANET Project Fund (*Continued*)

**3) Partner Organizations (POs):** one or more of the following entities could be partner organizations to collaborate/work with PL and/or IAs at their own decisions and contributions. POs may not be responsible for achieving the specified objectives:

- The organization liaised by NFP of EANET Participating Country;
- The organization designated by an EANET Participating Country;
- International, regional, or subregional organizations, including UN bodies, development banks, and non-profit organizations;
- Organizations in non-EANET Participating Countries.

**4) Co-financers (CFs):** one or more of the following entities that provide co-finance to the Project, in financial and/or in-kind form, could be CFs of the project. At least one CF is needed to be identified for a project:

- The organization liaised by NFP of EANET Participating Country;
- The organization designated by an EANET Participating Country;
- International, regional, or subregional organizations, including UN bodies, development banks, and non-profit organizations;
- Organizations in non-Participating Countries of EANET;
- Academic institutes;
- Profit-based organizations.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (8)

### 5. Stakeholders of the EANET Project and EANET Project Fund (Continued)

- 5) **Project Fund Holder (PFH):** PFH is an entity responsible for holding and managing the EANET Project Fund according to this Guideline and other relevant rules and procedures of the EANET. A certain entity is to be designated as the PFH by the IG.
- 6) **The SEC:** The Secretariat of the EANET defined by the Instrument.
- 7) **The NC:** The Network Center of the EANET defined by the Instrument.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (9)

### II. DETAILED PROCEDURES FOR EACH STAGE

#### 1. Preparation Stage

- Preparation of a Project will be driven by a certain entity eligible as a PL, with the assistance of the SEC and the NC taking respective roles of these organizations into account.
- The goal of the preparation of a project is to complete the **EPP** using Template-A (Annex 1), which meets the **EPC** defined in this Guidelines and is ready to be discussed and approved, if appropriate, by the IG.
- Upon request of the PL, the SEC and the NC jointly review the EPP based on the EPC. The SEC and the NC are expected to provide comments and suggestions to the PL for further development of the EPP if the draft EPP failed to meet the EPC.
- Before it meets the EPC, several versions of the draft EPP can be circulated/floated among NFPs, SAC members, potential POs, and potential CFs for further development and seeking additional entities of PL, POs, and CFs.
- To foster the EPP, identify stakeholders, and seek resources and assistance from the SEC, in an early stage, the PL can opt to prepare and submit a **Project Concept Note (PCN)** to the Secretariat. (Details describes in **IV. Assistance for Project in Each Stage**).
- Upon request of the PL, the SEC posts the information of draft EPP or draft PCN on the EANET in-house website for calling inputs from the NFPs and SAC members, and/or on a publicly accessible webpage for calling additional inputs/cooperation from outside of EANET.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (10)

### II. DETAILED PROCEDURES FOR EACH STAGE

#### 2. Approval Stage

- Once the EPP meets the EPC, the EPP is sent by SEC to NFPs and SAC members for their consideration at least three weeks before the IG session.
- NFPs and SAC members could submit their comments to the SEC by the latest one week before the IG.
- The SEC compiles a set of EPPs together with the comments from PCs and SAC members and submits it to the IG for its consideration and approval, if appropriate. SEC also complies with the assistance of PFH a summary of the requested amounts for the Fund of each EPP and availability of the Fund.
- IG can approve the EPP selectively considering the priorities of the network and readiness of the Projects, as well as the availability of the EPF. The IG can add conditionality on approval or revise the EPP, if necessary.
- To accelerate the approval process and increase the interests of potential POs and CFs, an extra session of the IG can be organized for discussion and approval of the EPPs, for example, in Spring and the regular annual IG, which is usually held in Autumn. This extra session of the IG can be organized back-to-back with the potential Working Group Meeting of EANET.
- A potential Working Group Meeting can be held to discuss and provide inputs to the draft EPPs and Project Concept Notes (PCN)s on their preparation stage if IG decides so.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (11)

### II. DETAILED PROCEDURES FOR EACH STAGE

#### 3. Implementation Stage

- Once the EPP is approved by the IG, the approved EPP becomes a **Project Plan for Implementation (PPI)**.
- The PL takes the lead to implement the PPI in collaboration with IAs, POs, CFs, the PFH, and other stakeholders identified in the PPI.
- Being overseen by the PL, each IA is responsible for mobilizing the resources allocated and implementing the relevant activities in collaboration with other IAs, POs, CFs, the PFH, and other stakeholders in accordance with PPI.
- The PL and IAs are expected to utilize the resources efficiently and effectively and maximize the project's expected outcomes.
- To utilize the Fund, each IA needs to conclude an agreement with PFH. In line with such agreement, upon request from IAs, the PFH is responsible for disbursing the necessary amount of the Project Fund's resources within the allocated amount specified in the PPI.
- The PL and IAs are responsible for recording their expenditures and using the resources allocated and relevant evidence.
- Outputs of the Project, such as meeting reports, proceedings, data sets, and publications, must be shared with every NFPs through the SEC as early as possible.
- The PL is expected to report the progress of implementing the Project to the IG annually. The IG can request PL to report the progress of the project anytime. Based on such progress reported, the IG may guide the Project or decision, including termination of the Project or modification of the PPI, if necessary.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (12)

### II. DETAILED PROCEDURES FOR EACH STAGE

#### 4. Completion Stage

- Once the project is completed, the PL is responsible for preparing the draft **Project Completion Report (PCR)** using the Template-B (ANNEX-3) in collaboration with IAs, CFs, and POs, in consultation with the PFH and the SEC, then sharing the draft PCR with all NFPs and SAC members through the SEC for their review and comments.
- The PL incorporates comments made by the NFPs and SAC members, finalizes PCR, and shares it with the NFPs and SAC members through the SEC and stakeholders.
- The unused amount of the resources disbursed from the PFH shall be returned to the EPF through the PFH.
- The SEC, the NC, and the PFH should jointly prepare an **Annual Report of EANET Projects (AREP)** and an **Annual Report of EANET Project Fund (AREPF)** and submit them to the IG for its discussion, further guidance, and endorsement annually. The AREP includes a summary status of preparation, approval, implementation, and completion of the ongoing and under preparation Projects.
- PCR, AREP, and AREPF will be open to the public after being endorsed by the IG.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (13)

### III. EANET PROJECT CRITERIA

1. **EANET Project Criteria (EPC)** is a set of Criteria applied for each EANET Project Plan (EPP) to determine whether the EPP is ready to be submitted to the IG for its discussion and approval. The EPC includes the following:
  - The EPP is in line with the principles defined in this Guideline.
  - The EPP clearly and reasonably indicates its objectives, activities, the rationale to implement, tangible expected outputs, and outcomes.
  - More than half of EANET PCs are identified as beneficiaries directly and/or indirectly.
  - Contents of the EPP are considered and developed in the light of assessment points stated in ANNEX-2.
  - Necessary resources other than EANET Project Fund (EPF) are secured or highly likely to be secured, while the allocation of EPF is the matter of IG decision.
  - At least one CF, either in financial or in-kind form, is secured or highly likely to be secured. In the case of a small project of which the total amount of required resources is 30,000 USD or less, financial contribution other than EPF is not always required, while in-kind contribution is always necessary.
  - Activities financed by the EPF are identified within the EANET Scope.
  - Activities financed by CFs could be beyond the EANET scope but must be related to EANET activities and beneficial for PCs.
  - In principle, the project period is around one year. Some types of projects can set their period up to 3 to 5 years, provided that such project has a mechanism to be reviewed by IG on the implementation of the Project for IG's decision to continue or terminate.
  - In principle, the requested amount of the EPF is not exceeding 50% of the total required resources for the Project.

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## **EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (14)**

### **IV. ASSISTANCE FOR PROJECT PREPARATION**

#### **1. Project Concept Notes (PCN):**

- PL can opt to prepare a Project Concept Note (PCN) of the proposed project using Template-C (ANNEX-4), which includes key ideas and concepts of the proposed project concisely.
- The PCN is used for i) proposing the project idea and concept; ii) seeking potential additional entities of PLs, potential IAs, POs, and CFs; iii) accelerate the development of the proposed project and preparation of EPP.
- Contents stated in Template-C are to be described as much as possible, while some cells could be left blank.
- PL can submit the draft PCN to SEC for requesting SEC and NC assistance to PL.
- Upon submission of the draft PCN and the request of the PL, SEC and NC assist and coordinate with PL to find POs, IAs, and CFs appropriately.

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## **EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (15)**

### **IV. ASSISTANCE FOR PROJECT PREPARATION**

#### **2. EANET Project Pipeline Repository (PPR):**

- EANET Project Pipeline Repository (PPR) is a repository maintained and updated by the SEC on the EANET website, which holds contents of proposed PCNs proposed EPPs, PPIs, and PCRs and summary information documents in a pipeline style.
- PPR is to enable all stakeholders to access such information easily and foster collaboration with stakeholders.
- Upon request of the PL, SEC posts the draft PCN and the draft EPP on the EANET website to call for inputs from PCs and SAC members. In addition, it will be announced on publicly accessible web pages to call for additional inputs from outside of EANET for PPR.

#### **3. Small Project for Project Preparation:**

A small-scale project that aims to prepare a draft EPP of a large-scale complex project can be proposed as the Project, if appropriate.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (16)

### V. EANET PROJECT FUND

1. **EANET Project Fund (EPF)** is a set of assets of contributions from the following entities:
  - i. PCs;
  - ii. Non-PCs;
  - iii. International, regional and/or subregional organizations;
  - iv. Non-Profit organization;
  - v. Profit organizations without any conditionality;
2. In addition, other entities can provide contributions to the Fund if IG allows.
3. Earned interests of the Fund are added to the Fund.
4. Contribution to the Fund can be made in any of the following forms or modalities:
  - i. Monetary transfer in USD or a currency of the Country where the PFH is located (CPFH);
  - ii. Written commitment to the IG expressed in USD or CPFH; Under this form, CFs could provide their co-finance directly to IAs practically without monetary transfer to EPF. Such contribution must be indicated in the EPP and recorded in PCR.
  - iii. In-kind contributions (ear-marked to a specific project(s) designated by the Co-financer).
5. Assets of the EPF consist of the following:
  - i. Monetary assets stored in specific bank accounts;
  - ii. Non-monetary contributions consist of 4.ii. and 4.iii.
6. A list of the assets of EPF shall be prepared and updated regularly by the PFH and shared with the NFPs, the SEC, the NC, and the PL upon request.
7. The PL can consider utilizing some parts of the assets of the EPF in preparing the Project Plan in consultation with the PFH and the NFPs.

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## EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (17)

### VI. EANET PROJECT FUND HOLDER

The EANET Project Fund Holder (PFH) is responsible for holding and managing the EPF according to this Guideline and other relevant rules and procedures of the EANET. The roles of the PFH include, but are not limited to:

- Hold and maintain the dedicated bank accounts;
- Maintain and update the lists of the assets;
- Maintain and update the records of all incoming and outgoing transfer assets;
- Once consulted by the PL, make efforts to discuss the possibility of utilizing some parts of the assets of the EPF in preparing the EANET Project Plan (EPP) in consultation with the NFPs;
- Prepare a draft agreement to be signed by the relevant PL and relevant IAs as well as PFH to enable disbursement actions;
- Disburse the requested amount to IAs within the allocated amount specified in the PPI in accordance with the agreement stated in the previous paragraph, and collect and maintain evidence of expenditure of the disbursed amount;
- The requested amount of Project Fund (PF) shall be disbursed one or two times a year per the agreement. For example, 50% of the requested budget amount of PF is disbursed in the initial stage of the project implementation. The remaining amount is disbursed after submission of the PCR of the Project.

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## **EANET PROJECT FUND AND PROJECT GUIDELINE (DRAFT) - (18)**

### **VI. EANET PROJECT FUND HOLDER**

The PFH can use the necessary amount, including the additional personnel costs (mainly general administrative expenses) caused by supporting or assistance of implementation of the project activities for holding the EPF and transferring the requested amount to IAs, according to the EANET Work Programme and Budget, where such necessary amounts are specified with their rationale.

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## **Actions Required**

The Working Group Meeting in 2021 Session 2 (WG2021-2) 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, particularly on key aspects:


- a. Detailed procedure for each stage;
- b. EANET Project Fund;
- c. EANET Project Criteria;
- d. EANET Project Fund Holder and Proposal to assign Asia Center for Air Pollution Research (ACAP) as EANET Project Fund Holder during the transition period.

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Thank you



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