

The Working Group Meeting in 2022 (WG2022) of the Acid Deposition Monitoring Network in East Asia (EANET)
24-25 August 2022, Virtual Meeting

CONSIDERATION OF FUTURE FUNDRAISING STRATEGIES FOR THE EANET PROJECT FUND

I. Introduction

1. The EANET Project Fund and Project Guideline (EANET/IG 23/9/rev) was approved at the Intergovernmental Meeting (IG) on the Acid Deposition Monitoring Network in East Asia (EANET)'s Twenty-third Session (IG23) on 24-25 November 2021 and is implemented for a transition period of one or two years. 23rd Session of the Intergovernmental Meeting in November 2021 and is implemented.
2. The EANET Project Fund is a new financial mechanism allowing EANET to build co-financed projects, "EANET Projects".
3. The Secretariat (SEC) and the Network Center (NC) received the request from Japan to prepare a discussion paper on fund-raising strategies EANET Project Fund on 1 July 2022, considering (i) an initial analysis of potential contributors/ co-financers including their interests and opportunities; (ii) consideration of the utilization of unused budget/ or surplus from the SEC and the NC for the Fund; (iii) proposals on immediate actions that the SEC and the NC can undertake within the mandate from existing IG decisions; and (iv) short or mid-term actions which need additional IG guidance, decisions and/or additional budget or resources.
4. This discussion paper aims to provide an initial analysis of fundraising strategies to support the EANET Project Fund. In order to attract and obtain funds to support the EANET Project Fund, it is important to leverage the experience, network, and political support of the EANET and the Participating Countries (PCs).

II. ACTIONS REQUIRED

5. The Working Group Meeting in 2022 (WG2022) is invited to consider and review the discussion paper on "Consideration of Future Fundraising Strategies for the EANET Project Fund" and may wish to discuss, consider, provide guidance, and recommend further actions of the SEC and the NC for consideration and recommendations at the 24th Session of the IG Meeting of EANET onn 24-25 November 2022, as appropriate.

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Attachment

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INTRODUCTION

1. As mentioned in Section 3.3.2 of the revised Medium-Term Plan (2021-2025) as approved by IG23, the EANET Project Fund is the fund dedicated to implementing individual projects categorized as Project Activities. The Fund sources would come from additional financial contributions of the PCs, such as additional voluntary contributions, in-kind contributions of the PCs, and other entities such as international organizations, allowing activities to be linked to the Fund.
2. Section 3.3.6 of the revised MTP (2021-2025) as approved by the IG23, instructs the SEC, the NC, and the PCs to continue to explore financial support from all available sources. These can include: (a) diversification of financial sources; (b) clarification of categories/ activities/ projects to be supported; (c) strengthened partnerships with international and regional donor agencies and other environmental initiatives; (d) additional voluntary financial contributions and in-kind contributions by the PCs; and (e) support and funds from research foundations and regional-scale projects.
3. There are several ways to undertake fundraising to supplement the Fund. This discussion paper includes (a) an initial analysis of potential contributors/ co-financers, (b) consideration of the utilization of unused budget or surplus funds from the SEC and the NC, (c) proposals on immediate actions that the SEC and the NC can undertake within the mandate from existing IG decisions, and (d) short or mid-term actions which needs additional IG guidance, decisions and/or additional budget or resources.

INITIAL ANALYSIS OF POTENTIAL CONTRIBUTORS/ CO-FINANCERS

4. While reduction of pollutive atmospheric related substances is important due to increasing air pollution problems in many cities in the EANET region, and worldwide, there are relatively fewer official development assistances and funding that go to air pollution control. According to the Clean Air Fund's Report on the State of Global Air Quality Funding 2021, over \$1.4 billion in official development spending was disbursed to projects in 2019 with the primary or secondary objective of improving air quality; which is less than 1% of total aid spending in 2019. Eighty percent of the funding goes to Asia, most of which in the form of loans. On

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the other hand, philanthropic organizations spent US\$ 44.7million in 2020 for projects with the primary aim to improve outdoor air quality, which is 0.1% of overall grant making.¹

5. Many PCs are faced with increasing challenges to reduce emissions of atmospheric environment-related substances resulting in acid deposition and air pollution. At the same time, PCs are also investing in many air pollution mitigation activities at the national level and at city levels. The EANET can closely coordinate with National Focal Points in possible cooperation to consider the additional contribution by relevant government agencies in PCs in implementing atmospheric environment-related substances mitigation activities.
6. Air quality has become one of the priorities of many UN Agencies due to the urgency of the air pollution problem in many countries and cities. Air quality improvement is also acknowledged as a co-benefit of many climate change mitigation projects, and as such, many projects and initiatives contribute indirectly to reducing air pollution. These UN agencies can include activities of UNEP, UNDP, UNICEF, UN Regional Commissions particularly ESCAP, UNCRD and in some cases activities of UN Resident Coordinator Offices.
7. Multilateral Development Banks like the Asian Development Bank (ADB), and the World Bank, traditionally provide technical assistances through grants and loans supporting air quality improvements in most PCs. It is strategic for the EANET to engage with the ADB and the World Bank in developing projects particularly on technical assistance grants.
8. Bilateral Development Banks and Bilateral Technical Development Agencies also support air quality-related improvement projects. It is also possible to discuss with these Banks and Agencies to cooperate and/or fund EANET projects.
9. International Non-Governmental Organizations, Foundations and Research Institutes have been active in developing and implementing comprehensive air quality-related projects particularly those from the Clean Air Fund, Clean Air Asia, Institute for Global Environmental Strategies, and FIA Foundation. These organizations can support activities and projects as part of the Fund.
10. The private sector particularly technology providers in measuring air pollution and directly reducing emissions from specific sources like stationary and mobile sources would have interest in supporting projects of the EANET. It is strategic for the EANET to engage with the private sector and explore possible cooperation and/or contributions to the Fund.

¹ Clean Air Fund. 2021. The State of Global Air Quality Funding 2021. <https://s40026.pcdn.co/wp-content/uploads/The-State-of-Global-Air-Quality-Funding-2021-report-compressed-2.pdf>

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11. As one of the few intergovernmental initiatives in Asia dealing with atmospheric environment-related substances; and with the most number of participating countries, it is envisaged that the Fund could attract additional contributors and donors to the Fund. Especially since the EANET has mature and robust governance and implementation mechanism that is politically supported by PCs.
12. The engagement of the EANET with the various organizations described above would have to be within the process of the EANET Project Fund and Guideline and approved by the IG.

CONSIDERATION OF THE UTILIZATION OF UNUSED BUDGET OR SURPLUS FUNDS FROM THE SEC AND THE NC

13. The SEC and the NC operate on a yearly budget approved by the IG and identified in the 5-year plan in the MTP 2021-2025. The SEC is hosted by the United Nations Environment Programme which accepts voluntary contributions from PCs, which pays for its operational costs and activities identified in the Work Programme and Budget (WPB) approved by IG each year. The NC, in the Asia Center for Air Pollution Research, is hosted by the Japan Environmental Sanitation Center (JESC) which also accepts voluntary contributions from PCs and local governments where the NC is located to support its operational costs and activities identified in WPB approved by IG each year.
14. The operations of the SEC are entirely dependent on the voluntary financial contributions of PCs. As such, any delay or lack of contributions may result in the inability of the SEC to perform its mandate. Furthermore, the contributions from PCs do not reach UNEP's account at the start of each fiscal year, making it difficult for the SEC to execute contracts for services. However, due to the accumulation of financial voluntary contributions from PCs over the years, the SEC is able to secure a surplus that serves as a "reserve" that can be used to execute contracts of the Coordinator, other staff, and partner organizations supporting Secretariat function.
15. The "reserve" for the SEC can be estimated based on the MTP and the WPB for each year. In order to sufficiently support the expansion of scope and the EANET Project Fund and Guideline activities, it is proposed that the SEC's reserve will be based on the proposal of strengthening the SEC to successfully support the implementation of the MTP 2021-2025 considering the expansion of scope and the newly established EANET Project Fund and Project Guideline.
16. The operations of the NC are dependent on the voluntary financial contributions of PCs, local governments where the NC locates and JESC supports the execution of contracts for the

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services of the NC when a delay or lack of contributions occurs. The “reserve” for the NC isn’t needed, and the “surplus” can be allocated to the Fund.

17. Any amount exceeding the “reserve” of the SEC and the “surplus” of the NC can be allocated to the Fund based on the guidance and approval of the IG.
18. Any Proposed EANET Project Plans can utilize this allocated amount exceeding the “reserve” of the SEC and the “surplus” of the NC with approval by IG.
19. This section should be read in tandem with the EANET_WG2022_5_1 and EANET_WG2022_5_2 as more information is provided in these working group documents.

PROPOSALS ON IMMEDIATE ACTIONS THAT THE SEC AND THE NC CAN UNDERTAKE WITHIN THE MANDATE FROM EXISTING IG DECISIONS

- The SEC with support from the NC make improvements to the created web pages for the Fund to make them more attractive for potential donors.
- The SEC with support from the NC encourage PCs and potential Partner Organizations to contribute to the Fund by sending letters.
- Increased outreach activities and public awareness activities to showcase the activities and impacts of the EANET thereby positioning the EANET as a capable initiative in pursuing projects related to improving atmospheric environment-related substances.

SHORT OR MID-TERM ACTIONS WHICH NEEDS ADDITIONAL IG GUIDANCE, DECISIONS AND/OR ADDITIONAL BUDGET OR RESOURCES

20. Short or mid-term actions which needs additional IG guidance, decisions, and/or additional budget or resources are:
 - Based on the initial analysis of potential contributors/co-financers, the SEC with support from the NC can organize meetings with potential contributors/co-financers to introduce the new EANET Project Fund Mechanism and to promote fundraising.
 - The SEC with support from the NC develop an overview of possible collaboration activities with various stakeholders.
 - The SEC with support from SAC and the NC makes new development for Project activities to attract potential contributors/co-financers for the Fund.