

Sixth Management Board (MB) Meeting Minutes
Cotonou, Benin
September 21st -23rd, 2009

1. The sixth MB meeting for the Programme for South-South Cooperation (PSC) on Sustainable Development between Benin, Bhutan and Costa Rica was held from September 21st to September 23rd, 2009 in Cotonou. The meeting was chaired by the Director of the NM of Benin, Mr. Mathias Pofagi. The list of the delegations is attached as Annex 1.
2. The Chair welcomed the delegations who reviewed and adopted the draft agenda attached in Annex 2.
3. Each of the NMs presented in details the results achieved by each project so far and some of the issues on specific projects were commented. A table summarizing the status of the projects is presented in Annex 3 along with the pending issues. The NM of Benin is asked to provide the missing information as soon as possible in order to disburse the funds for the Beninese component for 27-B-08, 32-B-08, 01-T-07, 03-B-08, 03-B-07 and 03-T-07.
 - 3.a Regarding project 15-B-08, the NMs agreed on following-up quickly on the issues pointed out and the NM from Costa Rica will be in close communication to sort it out. Also, it was agreed that the ABTO budget component will be transferred directly to SDS as proposed by NM Bhutan.
 - 3.b Regarding the project 05-T-08, all the required information for disbursement was received by the Secretariat mid-August and funds were disbursed to the NMs on August 24th. The NM of Costa Rica mentioned that this project is at risk because of the delay in providing the information for disbursement. All NMs agreed on keeping a close eye on this project and supporting the project managers; actions required given the limited time they have to complete the project. Also, the NM of Benin is asked to release the funds as soon as possible to Nature Tropicale.
 - 3.c The pilot project from Costa Rica was closed beginning on March as planned. The NM of Bhutan informed that the four pilot projects executed submitted preliminary reports and financial reports are being audited. No cost extension was granted til August 2009 to complete all activities. The NM of Benin commented that the six pilot projects should be completed by the end of October 2009, as planned.
4. The MB members reviewed and approved the Half-Year progress report for the November 15th, 2008 to May 15th, 2009.
5. The PSC Secretariat presented the fund status. Also, the PSC Secretariat solicited to the NMs to inform back every time a disbursement is made to SDS and CePED in favour of project organizations. Therefore, the NMs will send the statement of the bank in order to justify the amount of funds received by the NMs and sent to the organizations. This will allow clearing out the differences that appear in the project financial reports and justify bank commissions.
6. Also, the PSC Secretariat requested that once the NMs receive the funds, disbursements should be speeded up to the project organizations because so far it has taken up to one month for funds to be released from the NM to the organization.



7. The NMs of Benin and Bhutan solicited to the PSC Secretariat to send a yearly report of the funds received by the NMs and executing agencies in the country including the operational funds and project funds.

8. The PSC Secretariat presented a new set of basic indicators based on the comments of the Mid-Term Evaluation. The NMs reviewed them and agreed on a list of impact and outcome indicators. Both types of indicators will serve in the project monitoring and figures will be sent to the Secretariat that will consolidate them. It is important that all NMs make effort in compiling information in order to prove impacts of the PSC for potential future donors.

The NMs will discuss with the project managers the indicators to be included in project reports. The indicators will be checked and evaluated by the NMs before sending them to the PSC Secretariat for consolidation.

The NMs agreed on sending any suggestion on new indicators by October 28th, 2009, especially including GNH indicators that could be of value added to PSC. Further, the NMs will inform the PSC Secretariat if any of the indicators are not relevant.

9. The NM of Costa Rica explained that the auditors were hired for all the project duration. The NM Benin informed that the audit costs are higher than expected and budgeted by the project. Therefore, NM Benin has requested project managers to dedicate unforeseen funds and eventually operative budget to cover for all audit expenses.

10. The NM of Bhutan explained that the audit for projects 20-B-08, 24-B-08 and 27-B-08 will be audited by external auditors given that Royal Auditing Authority will not audit the private sector.

11. The PSC Secretariat solicited the NMs of Bhutan and Benin to send the audit costs by October 31st, 2009 in order to be within the project budget. The PSC Secretariat will disburse the funds for audit expenses to the NMs for them to pay the auditors.

12. The NM of Benin informed that from now on, the audit process will not take longer than 3 weeks from the time the reports are sent to CePED to the time the final audit report is sent to the NM of the lead. The final audit report will include the corrective measures put in place by the organizations and CePED evaluation of the implementation of them.

13. The PSC Secretariat solicited the NMs to hire the same auditor for the whole project duration in order to make sure that follow-up is made. In this context, NM Costa Rica will share the ToR of their auditors with the other two NMs.

14. The NMs discussed a way to simplify the procedures of audit. It was agreed that, if needed, the audit of the financial report can be made by the NMs instead of an audit firm only if the preliminary report is audited by the audit firm.

15. The NMs agreed that the last disbursement made to the organizations will be based on actual expenses and not expected expenses.

16. The procedure for closing projects was discussed by the NMs. The PSC Secretariat reminded that any expenses made beyond July 31st, 2010 will not be accepted. All remaining funds



(based on the final audit report) will have to be reimbursed to the NM who will be responsible to settle the project accounts and make a bulk transfer of the remaining funds to the PSC Secretariat.

17. The procedure for assets was reminded to the NMs and the PSC Secretariat assured that all NMs have the same understanding of the procedure. The NMs agreed on the procedure. Also, in case those assets can not be insured for a specific reason, it is the administrator's responsibility to replace the assets unless acceptable police report is provided (accepted by NMs).

18. Also, while the NMs give recommendations to the final use of assets, it is important to take into account that assets should be mostly donated to beneficiaries.

19. The PSC Secretariat presented the main conclusions of the Mid-Term Evaluation (MTE) and they were discussed between the NMs. The recommendations from the evaluation team were commented and analyzed one by one. The NMs agreed on doing the maximum efforts to speed up projects and specially disbursements from NMs to organizations given the big time pressure.

20. The NMs agreed on the MTE recommendation that no new projects should be approved from now on. Regarding the four pilot projects (16-P2-07, 06-P2-07, 23-P2-07 and 24-P2-07) that were approved in July and that should have started on July 31st, it was agreed that the final project document, signed contract and disbursement request should be made available to the Secretariat by October 6th, 2009.

21. As a corrective measure for time pressure, the NMs agreed on requesting the project managers to submit an adjusted work plan and budget plan to make sure that projects will be completed by July 31st, 2010. The NMs will send to the PSC Secretariat letter including a table indicating that the adjusted work plan and budget plan have been reviewed.

22. Also, it was agreed as a corrective measure that from now on, the budget component from Bhutan and Benin will be disbursed to the NMs and immediately disbursed to the organizations.

23. The guidelines of technical and financial report were revised by the NMs. Some corrections were made (table 4 eliminated and column incorporated in table 1; tables 8,9,10 will be used only when there is no official procedure available in the country) and a new version of the guidelines will be produced and forwarded to the lead agencies.

24. The NMs discussed a strategy for the use of the remaining \$600 000 that were set aside for second phase to pilot projects that a second phase was not approved. The NMs decided to allocate the remaining funds to: 1) promotional activities of the PSC concept including lobbying for phase II (\$250.000); 2) international and national level experience exchange event plus documentation and publication of lessons learnt (\$275.000); 3) joint monitoring (\$75.000).

25. The NMs agreed on the general lines of the Annual Plan for the 2009-2010 period. A detailed plan of the above activities will be included in the Annual Plan and sent to the NMs for comments. The comments will be submitted to the PSC Secretariat by October 30th, 2010 for consolidation and submission to the Royal Netherlands Embassy in Costa Rica.


26. The NMs agreed that for the pilot projects that did not go into a II phase, they will be requested to deduct 5% to 10% of their budget to produce documentation (flyers, videos and information for the webpage) on the results of the project. The hiring process of the consultant will be undertaken by the NM of Benin and Bhutan.

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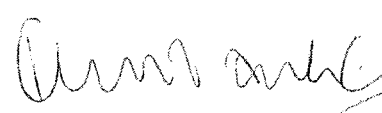
27. The NMs proposed a promotion strategy for the PSC Concept. It was agreed to hire a consultant to identify core values and support PSC promotion strategy. The three NMs could also meet during Jan Pronk visit in Costa Rica in November 2009, and make joint efforts in sensitizing potential donors and participation at high level international meetings (COP, CSD).

28. Regarding the PSC II phase, the NMs agreed on focusing on climate change

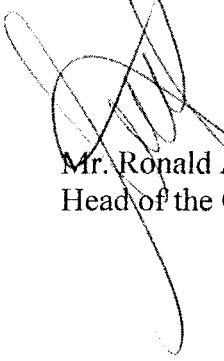
Signed and agreed in Cotonou, Benin on September 23rd, 2009.




Mr. Mathias Pofagi
Head of the Beninese delegation (MB Chair)



Ms Kunzang Chhimi
Head of the Bhutanese delegation



Mr. Ronald Arias
Head of the Costa Rican delegation



Ms. Marianella Feoli
PSC Secretariat

Annex 1: List of delegations

| Delegation | Members | Organisation | Function | email |
|------------------------------|-----------------------|--|--|--|
| Benin | Mr. Mathias K. Pofagi | Centre de Partenariat et d'Expertise pour le Développement Durable (CePED) | Director, head of the Beninese delegation | matpofagi@yahoo.fr |
| | Mr. Richard Mekpoh | Centre de Partenariat et d'Expertise pour le Développement Durable (CePED) | Programme Officer | rmekpoh@gmail.com |
| Bhutan | Ms. Kunzang Chhimi | Sustainable Development Secretariat (SDS) | SDS Officiating Director, head of the Bhutanese delegation | kchhimi@gmail.com |
| | Ms. Tshoki Khandu | Sustainable Development Secretariat (SDS) | PSC Program Coordinator | tshokigugyel@gmail.com |
| Costa Rica / PSC Secretariat | Ms. Marianella Feoli | Fundecooperacion | PSC Secretariat | mfeoli@fundecooperacion.org |
| | Ms. Amélie Jouault | Fundecooperacion | PSC Secretariat | ajouault@fundecooperacion.org |
| | Mr. Ronald Arias | Fundecooperacion | Member of the Board of Directors | rarias@fundecooperacion.org |
| | Mr. Mauricio Castro | Fundecooperacion | Executive Director | mcastro@fundecooperacion.org |



**Tentative Agenda for the 6th MB Meeting (*final version*)
21st - 23rd September 2009
Cotonou-Benin**

Agenda

1. Welcome remarks by Chairman
2. Adoption of Draft Agenda
3. Present status of projects by each NM indicating in details results achieved and budget execution.
4. Comment on the Half Year report for 2008-2009
5. Present the Overall PSC fund status by the PSC Secretariat
6. Project monitoring and audit.
7. Project indicators
8. Discuss the procedure for closing projects (dates, assets...)
9. II phase of Pilot projects
10. Discuss the draft AP 2009-2010
11. Results of the Mid -Term Evaluation
12. Strategy for PSC - II (recommendation from the evaluation mission)
13. Agenda for Joint Committee Meeting
14. Confirmation on the next venue of MB Meeting
15. Other issues
16. Field visit to on-going reciprocal projects.