



January 13, 2011

Dear Ms. Pesce-Monteiro,

**Subject: Project on Production and Application of Bio-products in Cultures of the Economical Importance that was approved for funding from Perez-Guerrero Trust Fund – Reference number INT/11/K04**

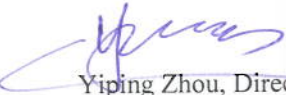
I am pleased to inform you that the Group of 77 has approved the above project. The proposal entitled "**Production and Application of Bio-products in Cultures of the Economical Importance**" submitted by the Cuban Research Institute on Sugar Cane by-Products (ICIDCA), was approved at the Thirty-fourth Ministerial Meeting of the Group of 77 held in New York on 28 September 2010, which has the substantive mandate to appraise all Perez-Guerrero Trust Fund (PGTF) projects. The PGTF grant for this project is US\$ 34,000.00.

The Special Unit for South-South Cooperation (SU/SSC) as the Fund Manager of the PGTF is forwarding the project document and requesting your office to support this project's implementation under the National Execution or other relevant framework. Please submit the project document to the relevant Government agency as well as to the Cuban Research Institute on Sugar Cane by-Products (ICIDCA) for signature, approve the project, establish the corresponding budget in ATLAS and proceed with disbursement of US\$ 30,600, which represents 90% of the resources approved for funding from PGTF. Please refer to the annexed guidelines for the implementation of PGTF projects.

In line with the Administrator's commitment to support the G77 with minimum cost, it has been a common practice to charge up to 1% of the direct project costs as the Country Office's share of the General Management Support and the Implementation Support Services, which should be part of the total budget approved for funding from PGTF.

To enable us to establish the appropriate ASL for disbursement of the funds, kindly forward a copy of the fully signed project document and the award/project number in ATLAS. Please also note that once the ASL is confirmed your office has full authority over the implementation of the project.

Yours sincerely,

  
Yiping Zhou, Director  
Special Unit for South-South Cooperation, UNDP

**To: Ms. Barbara Pesce-Monteiro,  
UN Resident Coordinator/ UNDP Resident Representative UNDP Cuba**

**Cc: Mr. Arturo Lozano, Group of 77/PGTF, New York  
Ms. Georgina Michelena Alvarez, Cuban Research Institute on Sugar Cane by-Products (ICIDCA)**

## Guidelines for the Implementation o PGTF Projects

### **Implementation Arrangements**

1. A number of operational arrangements have been used to implement PGTF projects, in line with the UNDP Programme and Operations Policies and Procedures (formerly Programming Manual or User Guide) for managing resources under National Execution. The preferred arrangement may vary depending on preferences of NEX agencies and a Country Office or on the legal nature of the institution that will receive the resources.
2. The simplified procedure for advances of funds for projects with budgets less than \$150,000, (as was originally stated in the UNDP Programming Manual item 6.5.3.9), remains the preferred arrangement, if acceptable to the country office. In this case, the designated institution submits to the CO the request for advance supported by a work plan and its corresponding budget for a single installment at the start of the project. (This will correspond to maximum of 90% of the resources). The CO records this advance as expenditure against the budget (not as advance), and the final reporting and final payment is simplified.
3. Other arrangements may include direct payments based on subcontracts or MOU signed between the Government and the institution that receives the grant from PGTF. This arrangement is preferred when the granted institution is an NGO or IGO, or it is an institution independent of the NEX government.
4. With regard to the implementation arrangements, the Country office should facilitate the development of a work plan and or a subcontract consistent with the agreed schedule of deliverables as called for in the project document, in line with the simplified procedure.

### **PGTF Projects and ATLAS**

5. In line with the Administrator's commitment to support the G77 with minimum cost, it is a common practice to charge up to 1% of the approved budget as the Country Office's share of the General Management Support and the Implementation Support Services.
6. Project budget should be created in Atlas and maintained directly by the Country Office referencing:
  - a) Fund 59020;
  - b) The Country Office Business Unit;
  - c) The Country Office Budgetary Department ID.
7. The PGTF projects are fully funded activities, therefore no over-expenditure should occur.
8. The Guidelines for the Utilization of PGTF (pls. refer to: <http://g77.org/pgtf/guideline.html>) require a mandatory withholding of 10% of the funds allocated, to be released when all project activities are completed and all reports are received, including progress, terminal and expenditure reports.
9. The remaining 10% is to be disbursed upon successful completion of a project and submission to a Country Office of all reports, including substantive progress and terminal reports, as well as expenditure reports.
10. Any remaining PGTF funds not utilized for the activities supported by the PGTF indicated in the project must be returned to the Perez Guerrero Trust Fund

### **Reporting**

11. Copies of all reports are to be sent to the Director of the Special Unit for South-South Cooperation (SU/SSC) and copied to the office of the Chairman of the G77 for our records.
12. Progress reports are required to be submitted to the Country office not later than six months from the commencement of the project activities, copied to the Office of the Chairman of G-77 and the Director of SU/SSC.

13. The terminal substantive report (including any relevant substantive documents resulting from the project) and final financial report should be submitted to the Country Office within 20 working days after the completion of all project activities. These will serve as a basis for the payment of the final installment of 10%.
14. The terminal substantive report (including any relevant substantive documents resulting from the project) should be disseminated to the participating beneficiary countries by the Country Office.