



United Nations  
Office for South-South Cooperation

SSC/2016/02-0010

5 February 2016

Dear Ms. Kaulard,

**Subject: Project “Distillery yeasts: Survey of quality standards for ethanol and food grade biotechnological industries” approved for funding from Perez-Guerrero Trust Fund for South-South Cooperation– Reference number INT/16/K10**

The above proposal submitted by the Cuban Research Institute of Sugar Cane Byproducts was approved to be funded by Perez-Guerrero Trust Fund for South-South Cooperation (PGTF) at the 39th Annual Ministerial Meeting of the Group of 77 (New York, 2015), which has the substantive mandate to appraise the PGTF proposals. The PGTF grant for this project is US\$ 32,000.00.

The PGTF was established by the General Assembly resolution 38/201 of 20 December 1983, with the purpose of supporting activities in economic and technical cooperation among developing countries (ECDC/TCDC) members of the Group of 77. The United Nations Office for South-South Cooperation (UNOSSC) as the Fund Manager of the PGTF is forwarding the project document and requesting your office to support this grant's implementation under the National Implementation or other relevant framework. Please submit the project document to the Cuban Research Institute of Sugar Cane Byproducts for signature, approve the project and proceed with disbursement of US\$ 28,800.00, 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 relevant 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,



Jorge Chediek  
Director

United Nations Office for South-South Cooperation

**Ms. Myrta Kaulard**  
**UN Resident Coordinator/ UNDP Resident Representative**

**Cc: Mr. Arturo Lozano, Group of 77/PGTF, New York**  
**Ms. Roxana García Gutiérrez, MSc, Cuban Research Institute of Sugar Cane Byproducts**

## Guidelines for the Implementation of PGTF Grants

### **Implementation Arrangements**

1. A number of operational arrangements have been used to implement PGTF grants, in line with the UNDP Programme and Operations Policies and Procedures (POPP) for managing resources under National Implementation (NIM), Inter-governmental Organization (IGO) Implementation or Non-Governmental Organization (NGO) Implementation. The preferred arrangement may vary depending on the preferences of the NIM agency and a Country Office, on the legal nature of the institution that will receive the resources, on the history of partnership and/or of on-going activities between a Country Office and the implementing partner, and on the applicable thresholds for financial transfers.
2. The UNDG [Framework for Cash Transfers to Implementing Partners](#) is often the preferred arrangement, if acceptable to the country office. In this case, the designated institution submits to the CO the work plan with the corresponding budget for the entire project for signature. It also submits a Funding Authorization and Certificate of Expenditures (FACE) request for advance of the initial installment to start activities. This will correspond to maximum of 90% of the resources. The remaining 10% may be requested as a reimbursement upon completion of the project and submission of the final report.
3. Other operational arrangements may include addition of this small grant into an existing larger project and issuance of a direct payment, or the signing of a [micro-capital grants agreement for non-credit related activities](#) between the CO and the institution that receives the grant from PGTF. This arrangement might be preferred when the granted institution is an NGO, or it is an institution independent of the NIM government. Other implementation arrangements compliant with POPP are also acceptable.
4. With regard to the implementation arrangements, the Country office should facilitate the development of a work plan, FACE report, micro-capital grants agreement or direct payment, as applicable, consistent with the agreed schedule of deliverables as called for in the proposal approved for PGTF funding.

### **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. The relevant codes that the Country Office should use in Atlas are:
  - 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 final reports, and 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 for South-South Cooperation

### **Reporting**

11. Copies of all reports are to be sent to the Director of the United Nations Office for South-South Cooperation (UNOSSC) 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 UNOSSC.
13. The final 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.