

8th IHO CAPACITY BUILDING SUB-COMMITTEE MEETING
New Orleans, USA 14-16 June 2010

REPORT ON THE CAPACITY BUILDING FUND

I.- Financial situation of the IHO CBFund.

The IHO CBFund INCOME comes from the normal IHO budget; from extraordinary contribution generated by non-spent resources at the end of a financial year and from resources provided kindly by the Rep. of Korea, earmarked to support the Capacity Building Program according to an MOU signed in 2006.

The attached Annex A constitutes the situation up to the 31 May 2010.

The first block shows the status of the expenditures corresponding to the 2010 CBWP. It was planned a level of expenditure of 313.580,00 euros and so far the real expenditure is 43.111,33 euros.

Task 3.4 Technical and Advisory Visits.

The technical visits anticipated have not been programmed yet, with the exception of the technical visit to Syria, that is fully organized and is awaiting Syria's consent not yet received by the team formed by France and Turkey.

Task 3.5 Technical Workshops, Seminars, Short Courses

There is no information for several planned activities. Other, the coordination and preparation are in progress. Some activities already executed, have not been fully invoiced, and that is the reason why they show low level of expenditure. Involved CBSC Members might wish to comment on the status presented.

The second block shows the financial statement up to 31 May 2010, with a separate indication for IHO and RoK Funds. The total availability is 391.024,23 euros. Therefore if by any chance the 2010 CBWP is fully completed with the level of expenditure programmed, that is an expenditure of 270.468,67 – a non real scenario - the availability for 2011 would be the difference, that is 20.555,56 euros.

The third block provides information on 2009 pending activities. Out of all these activities, the only ones that we are aware exists the intention to conduct it during 2010 are a couple of technical visits in the SWPHC for 8.700,00 euros. The other activities, of which no news has been received, we are recommending its deletion.

II.- General Comment.

It is extremely difficult to manage the CBFund due to the big difference between what it is planned and what it is really executed. This situation has a couple of factors impossible to anticipate: the final and real number of participants and the real cost of the logistics associated. The existing availability gives a bad impression and criticism can be expected. Why to allocate more resources to the CBFund if the available resources cannot be spent??? The situation needs some discussion.

III.- Problems experienced.

1.- Transfer of resources.

Not all institutions related to a project are entitled or have the permission or authorization to receive directly resources from the IHB, therefore transferring money to a country hosting an event, occasionally has been very difficult. Solutions have been found either taking the money in cash to the host country or using the financial system of a national office entitled to manage and disburse the money according to instructions. Certainly both procedures have not been in any case attempted to be considered as the standard procedure, but procedures that have been used in order not to cancel the event.

2.- Request to change amount and/or introduce new items.

Each event has an allocation of resources based on the request, the agreement of the CBSC and the final decision adopted by MSs when approving the WP and Budget. Each request identifies the items and amount required for each of it. In several occasions changes to the amount and/or introduction of new items have been requested. It has been IHB policy not to accept these requests for change, no matter the availability of the general allocation could consider funding new items.

3.- Difficulties/slowness in refunding non-spent resources.

When resources have been transferred to execute an activity and the final cost has been much less than anticipated, the refund for these resources becomes a very bureaucratic process that takes too much time. This process does not work automatically and the IHB has been forced to conduct endless communications in order to get back the money not spent.

IV.- Recommendations.

1.- Recommendation from the Auditor.

The Auditor reviewed particularly the procedure for the justification of the expenses associated to activities funded by the CBFund, particularly, the "Survey Team in Seychelles" and the "Maritime Safety Information (MSI) Training Course in Oman". In both cases still today the IHB is in the process to get back the non-spent resources provided. In the first case the transfer made to the Seychelles People's Defence Forces to support the project (the cost was lower due to lower prices of air tickets and instrumentation transport) and in the second case the transfer made to the Hotel where the event took place (the cost was lower due to not show-up of some participants).

The recommendation is for the IHB to establish a much more formal procedure attempting to avoid the occurrence of this sort of situations, assuring as well that the disbursement is done in conformity with the authorized terms and the collection and control over the receipts of all expenditures.

2.- Recommendation by the IHB DC.

Aiming to follow the Auditor's recommendation and the experimental procedure followed when organizing the Course in Marine Cartography that took place in Singapore in March this year, the IHB DC has decided to introduce a "Project Implementation Plan and Payment Procedure" form as in Annex B. The DC feels that

through this mechanism clear responsibilities could be identified for each of the involved parties in the implementation of a project supported by the IHO CBFund. There should be no disbursement of money to participants; return tickets shall be bought and provided by the IHB, and the IHB shall pay for logistics to the Hotel either directly or through the Host, upon reception of invoices and under special circumstances, after having received a pro-forma invoice, in case early payment is mandatory. Also the IHB shall pay the agency providing the training after having received the invoice.

Discussion on these subjects is expected aiming at setting easy and practical rules that at the same time would improve the administration of the CBFund.

Monaco, 04 JUN 2010

Annex A : “Status of the CBFund – 31 MAY 2010”.

Annex B: “Project Implementation Plan and Payment Procedure”.