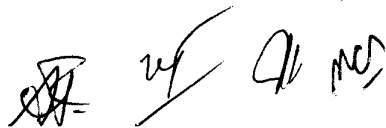


First Management Board (MB) Meeting Minutes
San José, Costa Rica
August 21-24, 2007

1. The first MB meeting for the Programme of South-South Cooperation for Sustainable Development between Benin, Bhutan, and Costa Rica was held from August 21st to August 24th, 2007 in San José, Costa Rica in the offices of Fundecooperación. The first MB meeting was chaired by the Executive Director of the NM of Costa Rica, Mr. Mauricio Castro-Salazar. The names of the delegations and the agenda are attached to these minutes.
2. The MB Chair welcomed the delegations, reviewed the draft agenda. The NMs agreed on the agenda for the first MB meetings from August 21st to August 24th, 2007.
3. Each of the NMs presented the activities implemented in their respective partner countries. The head of the Bhutanese delegation presented the activities of SDS. He explained that SDS was linked to the Ministry of Finance and its function as an autonomous body. A major political reform towards a parliamentary democracy is under way. The Bhutanese NM has been meeting stakeholders and promoting PSC and they are expecting several project proposals.
4. The delegation of Benin evocated that the previous NM in Benin, CBDD, was dissolute for management issues. All the activities of CBDD have been transferred to CePED (Centre de Partenariat et d'Expertise pour le Développement Durable). The head of the Beninese delagation mentioned that none of the members of the delegation are directors of the NM of Benin. However, the delegation of Benin announced that the Minister of Economy and Development had launched a call for candidature to fill up the position of director of CePED. The Minister of Economy and Development will propose names to the President of the Republic of Benin who will nominate the director of CePED by the end of September 2007.
5. The PSC Secretariat presented the three main areas of activities held by the NM of Costa Rica, Fundecooperación: non-reimbursable funds, credit program and Programme for South-South Cooperation. She indicated that informative sessions of PSC have been implemented in Costa Rica.
6. The PSC Secretariat presented the Regulations that was signed in May 2005 in order to highlight the NMs' responsibilities. She specified the importance of the definition of participating organizations. The NMs agreed on the clarification. It was also agreed that the leading agency will be presenting the project proposals in the respective country, that all the proposals will be in English with a budget in US dollars.
7. The PSC Secretariat indicated that the PSC Funds are in a Trust Fund and 80 % of the funds are dedicated to reciprocal projects, and 20% of real projects disbursements are dedicated to operational costs of the whole project . Each NM has signed or will sign an agreement with Fundecooperacion for a certain amount of money covering the



operational costs but this amount could vary according to the amount of money disbursed. The NMs agreed on it.

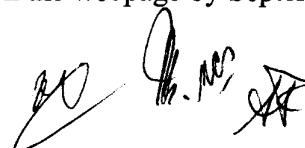
8. The NMs reviewed the last version of the Operative Half Year Plan and Multi Year Plan that had been approved by the Embassy on July 31st 2007. The NMs agreed on the two documents. It was mentioned the importance to update the Annex V of MYP "Advanced Operational Strategies for the main thematic areas". The Beninese delegation added that the MYP activities had already been included in the Programme d'Actions Prioritaires (Plan for Priority Actions) 2007-2009 of this country.
9. The NMs reviewed the proposed logo for PSC. The delegation from Bhutan proposed to remove the white bar in the middle of their national flag to use correct national colors. The delegation from Benin suggested to change the green tone for the correct one. The NMs agreed on using correct national colors of the flags, on adding the names of the three countries underneath PSC and they finally agreed on include the official logo in all official and promotional documents.
10. The NMs discussed the work plan from August 2007 to March 2008 and committed to the tasks and responsibilities assigned to each of them. The delegation from Benin suggested to postpone the time allowed to nominate the CePED director until the end of September 2007. The NMs agreed on the work plan.
11. The NMs agreed on defining a project year as the period from November 16th to November 15th of the following year. It was reminded that there won't be any extension of funding beyond November 15th, 2010, unless the Dutch government accepts any changes.
12. The PSC Secretariat will visit Benin once the director has been nominated. The visit could therefore take place during the second week of October 2007.
13. The NMs agreed on the terminology of pilot projects. It was mentioned that in the Operative Half Year Plan, "pilot projects" was used but it was referring to the project that could be proposed and evaluated during the start-up phase. This is different from the pilot project mechanism which allows a project to be implemented in one country during the first phase, if and only if there is a concrete perspective to implement it in another country during the second phase.
14. The NMs agreed to launch the first call for proposals on September 3rd 2007 until October 31st 2007. The common announcement for the call for proposals will be uploaded on the website and each NM will promote the call for proposals at the national level. The NMs agreed to mention that a fast-track evaluation process will be implemented for all the project proposals that will be received by September 21st. Those projects submitted by September 21st will be evaluated in each NM and will be discussed during the MB meeting of November.

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15. The NMs agreed to implement the match-making mechanism. It will allow potential organizations to send a two-page summary to the NM; the latter will help the organization to find a partner in another country.
16. The possibility of holding MB and JC meetings during international conferences was discussed but no date was available before November 15th. Nevertheless this idea will be considered for future meetings. The NMs decided to plan these meetings between the 5th and 9th of November 2007. The meetings could take place in New York or Costa Rica. The NM of Benin offered to host the MB meeting planned for the beginning of the year 2008.
17. Regarding the logistics of the MB meetings, it was agreed that the least costly itinerary will be chosen and that no layovers will be financed by the PSC Funds. However, the PSC Secretariat will try to accommodate to the possible extent to the suggestions of the NMs.
18. The communication strategy of PSC was discussed. The NM of Costa Rica mentioned that PSC information is available on its webpage. The NMs agreed on defining a common webpage that will be linked to all the NMs' webpages. The name of the domain was discussed and the PSC Secretariat will check the availability of the domains. The delegation of Benin evocated that the internet connection is not so sure but they will indicate the Secretariat if the conference call need to be postponed or not.
19. The NMs agreed on sending all the relevant information to the PSC Secretariat by August 31st, 2007 for it to be uploaded on the webpage: updated list of organizations, updated basic indicators, presentation of the country and the areas of relevancy).
20. The NMs discussed on the procedure of virtual voting of the MB. The Secretariat will send the issue to be discussed to the NMs and will allow two weeks for response, comments. If the Secretariat does not receive any comment within the two-week deadline, the response will be considered positive. The NMs agreed on implementing this procedure.
21. The NMs discussed the importance to improve the communication between NMs. They agreed that monthly conference calls will be held on the first Thursday of each month using Skype. The MB virtual meetings will be held alternatively at the following times:
07:00 (Costa Rica) 14:00 (Benin) 19:00 (Bhutan)
08:00 (Costa Rica) 15:00 (Benin) 20:00 (Bhutan)
22. The annual plan 2008 (November 16th 2007- November 15th 2008) was discussed. The NMs agreed to send the draft of the annual plan to the PSC Secretariat before September 28th. The Secretariat will prepare a standard format and the drafts will be built according to this format. The annual plan will be discussed during the second MB meeting.
23. The PSC Secretariat proposed to review the Handbook of Procedures in details as it was approved in November 2005. Accordingly the MB decided and agreed to the changes of the HP in compliance with the delayed start of the PSC.



24. It was mentioned that beyond 2010, the funding from the Ministry of Development Cooperation from the Netherlands will end. The partner countries will decide later on to look for further funding or end their partnership.
25. Bhutan mentioned that the 5% of the budget allocated for audits and evaluations may be a bit low unless the Royal Auditing Authority will perform the audits. The PSC Secretariat informed the Embassy of the Netherlands about this possibility and they agreed with the mechanism. In Costa Rica and Benin, the NMs will call for candidature of auditing firms. The PSC Secretariat will review the auditing possibilities during the visit to Benin. The audit firms hired will need to comply with the requirements of the Annex 5.
26. The yearly budget and financial report was reviewed and changed according to the budget approved in the MYP. The Secretariat will compute the tables 5 and 6 of the Annex 4 that are missing.
27. The NMs mentioned that it is odd to have reporting dates of November 15th or May 15th. The PSC Secretariat explained that these dates are the ones required by the Minister of Development Cooperation. It was proposed that beyond November 15th change of the reporting date will be discussed later on if necessary. It was agreed that the "first 6-month reporting period" will be used instead of the first semester to avoid confusion.
28. Impact evaluation of projects: the Beninese delegation proposed to complement the methodology of Annex 12 for the impact of the projects with a methodology called "Analyse d'impact de la pauvreté sociale" (PSIA approach). It was discussed that this PSIA methodology includes an impact evaluation (including gender equity) at the beginning of the project which could be value-added to the existing methodology, in this case it could orient political decisions and planning of the projects. The Beninese delegation will send the document to the PSC Secretariat.
29. The NMS agreed to hold MB meetings in November 2007 (between 5th and 9th), in February 2008, and then October and April of the following years.
30. The three NMs agreed on the importance of ensuring the continuity in the members representing the MB regardless of the political changes that could occur in the three countries. The NMs reemphasized the fact that political changes should not affect the continuity of the PSC implementation in each of the NMs.
31. Each of the NMs will plan to participate in international forums or conferences; the participation in international forums will be indicated in the annual plans, and will be supported by each NM's budget.
32. The three NMs reviewed in details the changes proposed for the Handbook of Procedures and agreed that the PSC Secretariat will produce the final approved document, send it to the three NMs and upload it on the webpage by September 3rd 2007.



33. The NM of Bhutan mentioned that the budget format of the projects does not match the budget codes of the Bhutanese system. It was proposed that the Secretariat will check with KIT the budget formats and look for the budget that was used in the bilateral projects and adapt the budget format proposed to be consistent with the three countries' requirements.
34. The NMs discussed the need for each NM to sign agreement with project implementing Agencies (a clause will be added in each of the contract signed between the NM and the PSC Secretariat). Regarding the Annex 4a., it was mentioned that the three countries need to use the same indicators to allow for comparisons. The PSC Secretariat will communicate the format for proposing indicators. The NMs agreed on proposing indicators to measure progress. These indicators will be discussed and defined during next MB meeting.
35. The NMs discussed whether it is important to define a maximum percentage of unforeseen activities or not. The NMs agreed that the percentage of unforeseen activities will be allowed according to the 5% of total budget that could be dedicated to unforeseen activities.
36. The delegation of Benin mentioned that they may need additional budget in order to start over the activity in the NM. The PSC Secretariat mentioned that it will be evaluated according of the results of the COCA.
37. The delegations discussed the importance to evaluate the proficiency in English of the coordinator and the team of the projects. English will be used as a basis for communication, for evaluation of projects, for reports. This is a challenge, but the three partner countries will need to use English to be able to communicate because there is no money and time to translate. The participating organizations will have to communicate freely to implement projects. The NMs will make efforts to bring participating organizations that are proficient in English. The NMs agreed to delegate the responsibility to evaluate English proficiency of the coordinator and the team of the projects to each NM during the project evaluation stage. The NMs will include their conclusion on the English proficiency on the evaluation report.
38. The cost-sharing issue was discussed. The cost-sharing could come from the implementing agency, development cooperations or other sources. The NMs agreed to mention projects proposals with cost-sharing will receive better attention during the appraisal of the projects. No minimum cost-sharing percentage was defined.
39. The PSC Secretariat stressed the importance to evaluate the management abilities of the implementing participants. This information will be included in the project format and the evaluation grid.

Handwritten signatures and initials in black ink, including a large signature on the left, a smaller signature in the middle, and initials 'MAD' and 'SR' on the right.

40. The NMs discussed the importance of a maximum budget ceiling for a project. It was agreed to have the following top budget limits:

	Length of the project	
	3 years	2 years
Implemented in 3 countries	\$1,000,000	\$600,000
Implemented in 2 countries	\$600,000	\$400,000

For pilot projects (one country for one year maximum) \$100,000.

41. The NMs agreed on the maximum amount for consultancy fees: 25 % of the total budget project. The NMs discussed the necessity or not to define a maximum percentage allocated to travel costs. The NMs agreed that there won't be maximum percentage but all travel costs should be justified appropriately on the project proposals and a travel report will need to be included in the project report.

42. The NMs discussed the "project formulation" project mechanism. The PSC Secretariat explained the mechanism: if an organization wants to meet the partner to discuss the final details before presenting the project proposal, a project proposal could be prepared and submitted to the respective NM. Cost sharing and appropriate demonstration of advanced negotiation level with a partner will need to be included. The PSC Secretariat will elaborate the criteria for evaluating those projects.

43. The NMs agreed to plan a training sessions in English between the project officers regarding the evaluation and assessment process. The PSC Secretariat will plan these activities once the NM of Benin is in place.

44. The NMs discussed the relevance of the funds of the PSC are directed to national organizations. The NMs agreed to define the eligibility of participating organizations as following: eligible organisations will need to be legally registered in any of the 3 countries owned and managed by at least 2/3 of citizens form the partner countries.

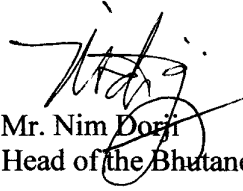
45. The issue of whether international NGO could participate in PSC or not was discussed; it was agreed that an international organization could participate in PSC with their own funds and that international missions will not be accepted.



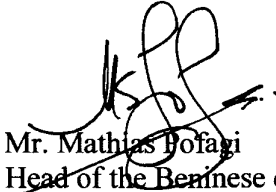
Signed and agreed in Guanacaste, Costa Rica on the 24th of August 2007



Mr. Mauricio Castro-Salazar
Head of the Costa Rican delegation (MB chair)



Mr. Nim Dorji
Head of the Bhutanese delegation



Mr. Mathias Fofagi
Head of the Beninese delegation



Ms. Marianella Feoli
PSC Secretariat

LIST OF PARTICIPANTS

Delegation	Members	Organisation	Function	Office phone #	email
Benin	Mathias K. Pofagi	Ministry of Economy & Development	Deputy General Director of Development Politics	(229)-21301127	matpofagi@yahoo.fr
	Richard Mekpoh	Ministry of Economy & Development	Director of Economic Analysis and Prospective	(229)-21300673	richardmekpoh@yahoo.fr
Bhutan	Nim Dorji	Sustainable Development Secretariat (SDS)	SDS Director	(975)-2-321425	nim@sds.org.bt
	Tshoki Khandu	Sustainable Development Secretariat (SDS)	SDS Project Officer	(975)-2-327982	tshokiugyel@gmail.com
Costa Rica / PSC Secretary	Mauricio Castro	Fundeccooperacion	Executive Director	(506)-225-4507	mcastro@fundeccooperacion.org
	Marianella Feoli	Fundeccooperacion	Deputy Director	(506)-225-4507	mfeoli@fundeccooperacion.org
	Amélie Jouault	Fundeccooperacion	Project Officer	(506)-225-4507	ajouault@fundeccooperacion.org
Embassy of the Netherlands	Christien Aben	Embassy of the Netherlands	Second Secretary	(506)-296-1490	christien.aben@minbuza.nl
	Alexandra Tuinstra	Center for Rural Development Studies	Local Development Consultant	(506)-224-1990	atuinstra@cdr.or.cr

DRAFT AGENDA
Management Board Meeting
August 21 to August 24, 2007

Date	Time	Agenda items	Document
Tuesday 21st of August 2007	09:00 – 09:30	Welcome	
	09:30 – 9:45	Presentation and discussion of draft agenda	Agenda
	09:45 – 10:15	Introductory presentation of achievements by the three National Mechanisms	Presentation by the delegations
	10:15 – 10:30	Break	
	10:30 – 12:30	Review of the Multi-Year Work Plan (MYP) and Half-Year Plan (OP)	MYP , OP
	12:30 – 13:30	Lunch	
	13:30 – 15:00	Discussion of the implementation strategy	
	15:00 – 15:15	Break	
	15:15 – 17:00	Discussion of PSC communication strategy	
	17:00 – 17:15	Conclusions for the minutes	
19:30 – 22:00	Dinner (restaurant Verbena)		
Wednesday 22nd of August 2007	09:00 – 09:15	Recapitulation of the discussions of the previous day	
	09:15 – 10:00	Projects, review and approval of procedures and instruments for: ** Assessment	Handbook of Procedures
	10:00 – 10:15	Break	
	10:15 – 12:30	Projects, continuation of review and approval of procedures and instruments for: ** Monitoring ** Evaluation	Handbook of Procedures
	12:30 – 13:30	Lunch	
	13:30 – 15:00	Discussion of the call for proposals	
	15:00 – 15:15	Break	
	15:15 – 16:30	Planning of next Management Board meeting : date, video/visit/phone, agenda Planning of Joint Committee meeting	
	16:30 – 17:00	Wrap-up meeting and signature of the Minutes	
	18:30 – 22:00	Cocktail dinner in Fundecooperacion with the Board of Directors and Intersegmental Committee	
Thursday 23rd of August 2007	07:30 – 11:00	Leaving the hotel Le Bergerac Travelling to Bagaces (province of Guanacaste)	
	11:30 – 13:00	Agricultural extension agency of Ministry of Production Visit of project “Bio-digestores” (use of bio-digestors for energy recovery and waste treatment)	
	13:00 – 14:30	Lunch in Liberia (city of the province of Guanacaste)	
	15:30 – 19:00	Check-in in Hotel Fiesta Premier (in Papagayo Gulf at the beach Afternoon as convenient (at the beach)	
	19:00 -- 20:30	Dinner	
Friday 24th Of August 2007	08:00 -- 12:00	Program as convenient	
	12:00 -- 13:00	Checking out Travelling to Santa Barbara de Santa Cruz	
	13:00 – 14:30	Visit of project Sol de Vida (solar ovens and kitchens) Lunch within the installations of the project	
	14:30 -- 17:30	Travelling back to San José	
	18:00	Checking in Hotel Hampton Inn, next to the Airport	