

Item 5: Status of Financial Progress

Background:

During its recent meeting, the SC has noted with concerns that both financial and physical progress continue to fall short of expectations. With a view to facilitate the SC in carrying out its oversight and management function it was agreed during the 15th SC meeting that a 16th SC meeting will be held during the first week of June with a focus on updating the SC members on the financial progress made by all the approved activity areas.

It was agreed that the 16th SC meeting would serve the purpose of assessing the financial progress, identify activity areas where expenditures are likely to fall short of the budget adjusted after the 15th SC meeting, and estimate the amount of funds that can be transferred to the Government's Red Book.

Objective:

The objective is to ensure the optimal utilisation of the funds available under the DF facility by keeping the SC informed about financial progress, thereby allowing the SC to make informed decisions on appropriate follow-up actions – if necessary – in order to ensure the optimal utilisation of the DF facility.

Expected Outputs:

SC members fully informed about the end of May financial progress of approved activity areas; and capable of making informed decisions on their continued support to or cancellation of activity areas, or possible transfer of unspent budget to the Government's Red Book.

Financial implications:

Cancellation will increase the amount of un-programmed funds available to meet request for revisions, new proposals, and/or transfer to the Government's Red Book.

Special Considerations:

None

Post Review:

Ongoing

Recommendation:

Based on the Secretariat's presentation, the SC should discuss and agree to actions to be taken to ensure the optimal utilisation of the funds available under the Direct Funding facility.

Supporting Documents:

Summary of financial progress by activity area and implementing agency.