Approval of a system to reimburse MDBs for their project implementation support and supervision services

The Trust Fund Committee reviewed document SCF/TFC.6/6, Costs of MDB Project Implementation Support and Supervision Services for Public Sector Programs and Projects under the SCF, and approves the proposal for establishing a system to reimburse the MDBs for their project implementation support and supervision services. The Committee notes the projection of budget allocations to MDBs for SCF administrative services, country programming assistance, and project implementation support and supervision services is estimated at 6.2% of the SCF resources to be distributed to countries.

The Committee agrees that payments to the MDBs for their costs of providing project implementation support and supervision services under SCF-funded public sector operations should be proposed and approved on a case-by-case basis and that each MDB will take into account the procedures applied in its regular operations to determine the proposed costs of MDB project implementation support and supervision services. The Committee agrees to utilize the set of cost benchmarks as a reference point for reviewing and approving requests under individual projects.

The Committee further agrees that funding of MDB costs for project implementation support and supervision services should be identified within each investment strategy or plan as a separate component of the overall funding request for such strategy or plan. The Committee requests the CIF Administrative Unit, in consultation with the MDBs, to clarify how these resources would relate to the allocation of resources that will be agreed by the Sub-Committees. The Committee agrees that the costs of the MDBs should not be perceived as diminishing the allocations agreed for pilot countries.