

**TWELFTH MEETING OF THE CAPACITY BUILDING SUB-COMMITTEE (CBSC12)**

**14-16 May 2014, Brest, France**

**Paper for Consideration by the CBSC**

**Procedure 8 (Project Finance Management) Revision**

<i>Submitted by:</i>	<b>IHB</b>
<i>Executive Summary:</i>	This paper provides a revision of the CBSC Procedure 8 based on the experience gained after its approval and on the recommendations from the IHO Auditors.
<i>Related Documents:</i>	a) CBSC Procedure 8 b) IHO Resolutions 4, 5, 6 and 7/2004 as amended.
<i>Related Projects:</i>	N/A

**Introduction and Background**

1. CBSC approved Procedure 8 during its 11<sup>th</sup> Meeting in Wollongong in 2013. This procedure is meant to provide guidelines for the finance management of a project funded by the CBFund and must be followed by the Project Leaders of all activities supported by the CB Fund.
2. The Procedure was developed in order to comply with the Auditing Team recommendations. It provides guidance for the planning, approval, execution and reporting of the finance activities. Templates are also provided to help the Project Leaders and the IHB to comply with the IHO consolidated practices.

**Analysis/Discussion**

3. Procedure 8 was developed to allow efficient management of the IHO CB Fund resources while complying with management best practices. The IHO CB Fund was established by Resolutions 4, 5, 6 and 7/2004 as amended, to support the IHO Capacity Building Strategy.
4. The subject of this paper fits the IRCC and CBSC objectives to effectively implement the CB Strategy.
5. The implementation of the revision proposed in this paper will benefit the both the RHCs and the IHO by providing clear description and templates for the financial management of activities supported by the CB Fund.
6. The potential impacts to the RHCs (Project Leaders) and to the IHB are positive as this revised procedure will eliminate ambiguities and help establishing a clear and effective management of the CB Fund.

7. Annex 1 provides the revised Procedure 8 (Rev.1). In order to help keep track of the changes the revised Procedure 8 is presented in Annex 2 with changes highlighted in red. Annex 3 provides the templates in Excel format (Part 2 of Procedure 8).

8. This revision was done based on the lessons learned after the adoption of the procedure and also based on the recommendations that came from the IHO Auditors.

### **Conclusions**

The adoption of the revised Procedure 8 will benefit the Finance Management of the CB activities.

### **Recommendations**

It is recommended that CBSC approves the revised Procedure 8.

### **Justification and Impacts**

The proposed revision intends to improve the effective management of the CB Fund resources.

### **Action Required of CBSC**

The CBSC is invited to:

- a. note this report
- b. endorse the revised Procedure 8
- c. take any other action as appropriate

Annexes:

Annex 1: revised Procedure 8 (Rev.1).

Annex 2: with changes highlighted in red.

Annex 3: templates in Excel format (Part 2 of Procedure 8).