

RESOLUTION No. 556

RECOVERY OF THE INDIRECT COSTS OF EXTERNALLY FUNDED PROJECTS

INSTITUTIONAL NET RATE (INR)

The EXECUTIVE COMMITTEE, at its Thirty-second Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 604 (12), “Study on the Recovery of Costs Incurred by the Administration of Externally Funded Projects,”

CONSIDERING:

That Article 3.5 of the Financial Rules provides that the Director General, in establishing the Institutional Net Rate (INR), shall take into account the results of an annual study that determines the actual costs incurred by the Institute in administering projects financed with external resources;

That the document presented for consideration of the Executive Committee responded to the request set out in Resolution IICA/CE/Res. 541 (XXXI-O/11) of July 13, 2011, adopted at the Thirty-first Regular Meeting of the Executive Committee, and Resolution IICA/JIA/Res. 471 (XVI-O/11) of October 21, 2011, approved at the Sixteenth Regular Meeting of the IABA, as well as the recommendations of the Special Advisory Commission on Management Issues (SACMI) at its 2012 Regular Meeting;

That the aforementioned document includes the methodology, criteria, and exceptions to be used as the basis for determining the INR;

That the methodology makes it possible to: (i) fine-tune the procedure for calculating the INR, so that the rate recognizes all the indirect costs that IICA incurs in implementing projects and other externally funded cooperation activities; and, (ii) consider the SACMI’s recommendations to incorporate the analysis on competitiveness and proportionality in seeking the best interests of the Institute; and,

That it is necessary to consider a period of transition for the application of a new INR percentage in the case of projects whose agreements or contracts are already in force,

RESOLVES:

To instruct the Director General, in determining the INR to be applied in Agreements or Contracts entered into by IICA for the implementation of externally funded projects and activities:

1. To adopt the methodology and criteria defined in Document IICA/CE/Doc. 604 (12), "Study on the Recovery of Costs Incurred by the Administration of Externally Funded Projects," for establishing the minimum INR applicable to projects and other externally funded cooperation activities, with due regard for the exceptions established in that document.
2. To consider in the annual studies the criteria of competitiveness and proportionality and the net neutral approach established in the methodology, which may also take into account the tendencies of the last two or three years, for the purpose of seeking the rate that is fair and representative of actual costs.

8/11/12