Justification for co-financing at MTR – GEF ID 9860- Biosafety Cuba

At the time of the Mid-Term Review, the project had reported 27% of the co-financing committed to the project. This total was lower than expected, mainly due to the restrictions imposed by the COVID-19 pandemic, which significantly reduced travel and face-to-face meetings and, therefore, co-financing. Another factor that contributed to the low reported figure was the economic restructuring in the country in January 2021, which imposed a change in the exchange rate of the Cuban peso against the US dollar, previously at a ratio of 1:1 and since then, at 1:24. Therefore, although the figures reported since that year correspond to the commitment and the level of activities agreed upon, they represent a significant reduction in relation to the approved amount.

The main contribution to the reported co-financing is the payment for import services, the consulting services received in the first two years of implementation from a national company, and the salaries of the Project Management Unit, specialists, and staff participating in project activities.

The amounts reported included contributions for time spent working on the project (salary payments/in cash) between 2020 and 2022 by specialists from the three entities participating in the project: CENSA ($169,300), CICDC ($144,571), and CENATOX ($56,608).

The Office of Environmental Regulation and Safety, as the main executing entity, assumed all payments for import services and other contracts, in addition to the reported contribution for the Project Management Unit's salary, declaring an amount of $151,307 for the 2020-2022 period.

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