

Eleventh Session of the Assembly
30-31 October 2024, Seoul, Republic of Korea

Agenda Item 15

Amendment of the AFoCO Project Manual

I. Background

1. The Secretariat proposed an amendment to the AFoCO Project Manual at the 10th Session of the Assembly, held on April 2024 in Bishkek, Kyrgyz Republic, to address unforeseen circumstances and challenges encountered since its enactment in 2019, including diverse requirements from various donors in the project development and management process.

2. In accordance with the Assembly's decision (Decision 17-II-19S), which authorized the Secretariat to amend existing AFoCO manuals and guidelines in consultation with Member Parties, the Secretariat has proceeded with amending the Project Manual, following the procedures and schedule endorsed by the 10th Session of the AFoCO Assembly as below.

II. Progress of Project Manual Amendment

3. The Secretariat conducted an internal review of the existing manual to prepare a draft amendment, taking into account the current circumstances, challenges, and relevant suggestions/recommendations gathered from Project Managers gathered during previous sessions of the Annual Technical Workshop (ATW).

4. A draft amendment was circulated to the Representatives and National Focal Points (NFPs) of all Member Parties for their review and consideration in July 2024. The Secretariat has received no objections to the draft amendment with only one additional comment from Member Parties by the deadline for feedback ahead of the final consultation meeting.

5. The Secretariat held the final consultation meeting with Member Parties on the amendment during the 2024 ATW, held on 9-11 September 2024 in Bangkok, Thailand. After a briefing on the list of amendments by the Secretariat, participating NFPs or their representatives were invited to provide additional comments on the draft, beyond the feedback already submitted.

6. As agreed with the Member Parties during the final consultation meeting, the Secretariat has finalized the draft amendment of the AFoCO Project Manual. This amendment focused on making the project manual applicable to all AFoCO projects developed under a diverse funding portfolio and enhancing the quality of proposal by strengthening the pre-verification of project ideas and the project appraisal process, as summarized in **Annex-1**.

III. Points for Consideration

7. The Assembly may wish to consider and endorse the amendment of AFoCO Project Manual for its effectiveness.

Queries on the content of the document may be addressed to:

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Summary of Amendment for the AFoCO Project Manual

A. Objectives of the Amendment

1. This amendment is focused on improving the project manual to be applicable to all AFoCO Projects developed under the diverse funding portfolio of the organization. The amendment is also intended to stipulate current practices we follow for project implementation and management which are yet to be properly reflected in the current manual.

2. Exclusive of corrections related to simple typographical errors and the deletion of redundancies or provisions that are no longer effective including the simple relocation of existing provisions for clarity of relevant context, the key changes made for the amendment are summarized below.

B. Key Changes for the Amendment

Original	Amended
<p>2. Project Management Flow 2.1 AFoCO Projects</p> <p>AFoCO projects, called “regular project”, which may involve one or multiple member countries, are subject to approval by the Assembly. Participation of non-member countries as an implementing partner is also subject to approval by the Assembly.</p>	<p>1.4 AFoCO Project Cycle Management 1.4.1 AFoCO Projects</p> <p>AFoCO projects may involve one or multiple Member Countries. <i>Resources to finance a project includes flexible funds (unearmarked or softly earmarked funds) and earmarked funds under the Special Account.</i></p> <p><i>A project proposed by the Member Country(ies) during the regular call for project proposals from the Secretariat is called a “Regular Project” and is subject to approval by the Assembly. Projects developed through opportunities other than the regular call for project proposal by AFoCO are collectively called “Special Projects” and are not subject to Assembly approval.</i></p> <p><i>While the Special Projects must meet the principles and requirements of the respective donor(s) in project cycle management, the principles of this manual shall be also applied unless they conflict with the regulations and procedures of relevant donors or otherwise decided in accordance with the relevant policies of the Secretariat.</i></p> <p>1.4.2 Project Cycle Management <i>Project Cycle Management (PCM) is a structured process used to plan, implement, monitor, and evaluate projects, as a commonly used approach in the international development sector. PCM refers to a series of key phases that ensure systemic and efficient project management from the planning stage to the completion of project activities.</i></p> <p><i>For AFoCO, the project cycle is composed of the 6 key phases as follows:</i></p> <ul style="list-style-type: none"> <i>(a) Identification of funding opportunities</i> <i>(b) Project formulation</i> <i>(c) Implementation Arrangements</i> <i>(d) Project Delivery</i> <i>(e) Project monitoring and Evaluation</i>

	(f) <i>Project Completion</i>
	<p>2. Identification of Funding Opportunity <i>Any staff member of the Secretariat may identify the funding opportunities for projects. Staff members shall report the identified opportunity to the Review Committee of the Secretariat using the Funding Identification Form for internal review. The Secretariat may also appoint a work unit dedicated to specific donor(s) to seek relevant funding opportunities. For Special Projects, it should be confirmed with the relevant NFP(s) that they are interested in pursuing the identified funding opportunity before reporting to the Secretariat.</i></p> <p><i>The Executive Director shall prepare and execute proper guidelines, including due diligence procedures, for private sector engagement in mobilizing project funds as well as implementing project activities.</i></p>
<p>3. Project Proposal 3.1 Project Concept Note This is the first step of Project Proposal development. Project Concept Note (PCN) shall be submitted to the Secretariat with an accompanying endorsement from NFP of the proponent country, using the template in Annex 1. NFPs may submit more than one PCN which is applicable for regular projects only.</p> <p>A project should be consistent with the objectives of AFoCO and be within the scope of the prevailing strategic framework of AFoCO. The Secretariat should distribute the most recent strategic plan of AFoCO to facilitate the preparation of the PCN.</p> <p>The Secretariat will review submitted PCN based on the completeness, clarity and appropriateness of required information including budget estimates and subsequently provide comments/recommendations for further action of the proponent within three (3) weeks from the date of submission. Upon consideration of such comments, the Secretariat will notify the NFP to proceed to full proposal development.</p>	<p>3. Project Formulation 3.1.1 Project Concept Note This is the first step of Project Proposal development. Project Concept Note (PCN) shall be submitted to the Secretariat with an accompanying endorsement from NFP of the proponent country, using the template in Annex 1. NFPs may submit more than one PCN which is applicable for Regular Projects.</p> <p>A project should be consistent with the objectives of AFoCO and be within the scope of the prevailing strategic framework of AFoCO. The Secretariat should <i>properly update the member countries on the most recent guidelines for project formulation, relevant to the strategic action plan of AFoCO endorsed by the Assembly to facilitate the preparation of the PCN.</i></p> <p>The Secretariat will review submitted PCN based on the completeness, clarity and appropriateness of <i>the</i> required information, including budget estimates, and subsequently provide comments/recommendations for further action of the proponent within three (3) weeks from the date of submission. <i>The Secretariat may conduct a site visit for feasibility analysis to assess the practicality and potential success of proposed project activities.</i></p> <p><i>The status of available funding to finance the Regular Projects shall also be considered and properly communicated to the NFP for full proposal development.</i> Upon consideration of such comments, the Secretariat will notify the NFP to proceed to full proposal development.</p>
<p>4.2 Appraisal Procedure The Executive Director will appoint three (3) Project Appraisal Panel (PAP) members from the expert pool for the appraisal of each project proposal. PAP members selected from the expert pool are entitled to receive consultancy fees in accordance with the rate applied by the Secretariat. Nationals of the proponent country of the</p>	<p>3.1.4/B Appraisal Procedure The Executive Director will appoint three (3) Project Appraisal Panel (PAP) members from the expert pool for the appraisal of each project proposal. PAP members selected from the expert pool are entitled to receive consultancy fees in accordance with the rate applied by</p>

project are not eligible to become members of the PAP. For pre-projects, if necessary, the Secretariat will proceed with the appraisal of the project proposal by the Secretariat or by PAP members, appointed by the Executive Director in accordance with the objectives and strategic priorities of AFoCO as well as budget availability.

The Secretariat will officially notify the respective NFP of the final grade and outcome of the appraisal in due course.

the Secretariat. Nationals of the proponent country of the project are not eligible to become members of the PAP.

The Secretariat will officially notify the respective NFP of the final grade and outcome of the appraisal in due course. *Only project proposals which pass the appraisal according to the grading system specified below by 15 September will be submitted to the Assembly for approval in the current year.*

4.3 Grading System

PAP member 1	PAP member 2	PAP member 3	Final Grade	Follow-up Action
A		A	A	Proceed to seek funds for project
A	A	B	A	Proceed to seek funds for project
A	A	C	C	Major revisions required
A	B	B	B	Proceed to seek funds after minor revisions
A	B	C	C	Major revisions required
A	C	C	C	Major revisions required
B	B	B	B	Proceed to seek funds after minor revisions
B	B	C	C	Major revisions required

Based on the final grade ('A', 'B' or 'C') of the project proposal, one of the following actions will be undertaken:

- A: Proceed to seek funds for project
- B: Proceed to seek funds after minor revisions
- C: Major revisions required

3.1.4/B Grading System

PAP member 1	PAP member 2	PAP member 3	Final Grade	Follow-up Action
A	A	A	A	<i>Submission to the Assembly for Approval</i>
A	A	B	A	<i>Submission to the Assembly for Approval</i>
A	A	C	C	<i>Reappraisal after Major Revision</i>
A	B	B	B	<i>Submission to the Assembly for Approval after Minor Revision</i>
A	B	C	C	<i>Reappraisal after Major Revision</i>
A	C	C	C	<i>Reappraisal after Major Revision</i>
B	B	B	B	<i>Submission to the Assembly for Approval after Minor Revision</i>
B	B	C	C	<i>Reappraisal after Major Revision</i>
B	C	C	C	<i>Reappraisal after Major Revision</i>
C	C	C	C	<i>Reappraisal after Major Revision</i>

Based on the final grade ('A', 'B' or 'C') of the project proposal, one of the following actions will be undertaken:

- A: *Submission to the Assembly for approval*
- B: *Submission to the Assembly for approval after minor revisions*
- C: *Reappraisal after major revision*

4.4 Modification and Re-submission of Proposal

If a proposal receives a final grade of 'B' or 'C', it will require further modification by the proponent. The proponent will submit to the Secretariat, the revised proposal with modified parts highlighted, and a list of responses to the comments and recommendations raised by the PAP members within three (3) weeks. The Secretariat will check the revised proposal and may request further modification until all comments and

3.1.4/D Modification and Re-submission of Proposal

If a proposal receives a final grade of 'B' or 'C', it will require further modification by the proponent. The proponent *shall* submit to the Secretariat, the revised proposal with modified parts highlighted, and a list of responses to the comments and recommendations raised by the PAP members within three (3) weeks. The Secretariat will check the revised proposal and may request further modification until all comments and questions by the PAP members are fully addressed. A

<p>questions by the PAP members are fully addressed.</p>	<p><i>proposal that receives a final grade of 'C' from the 2nd round of appraisal (reappraisal) will be rejected.</i></p>
<p>12.1 Conditions for Suspension</p> <p>The project can be suspended in cases where the terms and conditions of the project are changed to the extent that the successful completion of the project is at risk.</p>	<p>7.1 Conditions for Suspension</p> <p>The project can be suspended in cases where the terms and conditions of the project are changed to the extent that the successful completion of the project is at risk, including prolonged delays in its implementation lasting more than one (1) year.</p>
<p>13.1 Conditions for Termination</p> <p>The project shall be terminated with one (1) month prior notice in the following cases where the objectives of the project are no longer achievable:</p> <ul style="list-style-type: none"> (a) Waste, fraud, and abuse of the project budget; (b) Inappropriate use of resources, personnel, and/or technical means; (c) Lack of funding; and (d) Withdrawal of proponent country from its membership to AFoCO 	<p>8.1 Conditions for Termination</p> <p>The project shall be terminated with one (1) month prior notice in the following cases where the objectives of the project are no longer achievable:</p> <ul style="list-style-type: none"> (a) Waste, fraud, and abuse of the project budget; (b) Inappropriate use of resources, personnel, and/or technical means; (c) Lack of funding; (d) Withdrawal of proponent country from its membership to AFoCO; (e) <i>Disregard of the AFoCO Project Manual and any other Guidelines/Regulations during project implementation; and</i> (f) <i>Prolonged delays in its implementation lasting more than one (1) year and failing to take corrective measures for lifting project suspension, as stipulated in Section 7.3</i>
