G-1-20R

Project Manual of the
Asian Forest Cooperation Organization

Effective on 27 November 2020

Asian Forest Cooperation Organization

G-1-20R

CONTENTS

1. Introduction

1.1   Purpose

The purpose of the Project Manual (**the Manual**) is to provide guidelines for all stakeholders for projects under the Asian Forest Cooperation Organization (**AFoCO**), primarily the National Focal Point (**NFP**), the Secretariat, project implementers, including the implementing agency (**IA**), the donor(s), consultants, suppliers of goods and services, monitoring team, and evaluation team, among others.

1.2   Scope

The manual exemplifies procedures and methodologies to be applied in the project management from the stage of concept note development up to final or end-of-project evaluation. As deemed necessary, projects which are partially and/or fully supported by external funds will follow the principles and requirements of the   respective donor(s). In the event where there are no specific principles or requirements provided by the donor(s), the project should generally follow the basic principles of this manual.

1.3   Definition of Terms

For applying this manual:

(a) "AFoCO" means the Organization established under the Agreement on the Establishment of the Asian Forest Cooperation Organization (AFoCO).

(b) "Assembly" means the highest decision-making organ of AFoCO.

(c) "Secretariat" means the body which shall provide administrative support to AFoCO as well as carry out the activities guided by the Assembly.

(d) "Executive Director" means the chief administrative officer of AFoCO who is appointed by the Assembly.

(e) "Observer" means a signatory country which has signed the Agreement but has yet to deposit its instrument of ratification, acceptance or approval; country, or international non-governmental organization granted Observer status by the Assembly in accordance with Article 6 of the Agreement.

(f) "Party" means a country which has signed the Agreement and has deposited its instrument of ratification, acceptance, or approval for which the Agreement has entered into force, or a country that has acceded to the Agreement.

(g) "Gender" refers to the roles, behaviors, activities and attributes that a given society at a given time considers appropriate for men and women. In addition, gender is part of the broader socio-cultural context, including class, race, poverty level, ethnic group, sexual orientation, and age. In most societies there are differences and inequalities

between women and men in responsibilities assigned, activities undertaken, access to and control over resources, as well as decision-making opportunities.

(h) "Gender Policy[1]" refers to Gender Policy of AFoCO which was approved by the Assembly.

(i) "Environmental and Social Safeguard (ESS) Policy[2]" refers to ESS policy of AFoCO which was approved by the Assembly.

(j) "Project" is defined as an execution of activities over a planned period to achieve the specific goals and objectives vis-à-vis AFoCO's Strategic Priorities and the policies, priorities and plans of member countries.

(k) "National Focal Point (NFP)" is a designated position for a member country to oversee and coordinate the implementation of all AFoCO activities, as the official channel of communication.

(l) "Implementing Agency (IA)" is a body responsible for implementing and executing project activities.

(m) "Project Appraisal Committee (PAC)" is a body responsible to deliver a final decision on the project appraisal that will proceed to fund mobilization process.

(n) "Project Appraisal Panel (PAP)" is a body responsible for the appraisal of project proposals.

(o) "Project Concept Note (PCN)" is the first document submitted by the NFP to the Secretariat for consideration as a potential project.

(p) "Project Proposal" is a project description submitted by a respective NFP to the Secretariat for appraisal for subsequent approval by the Assembly.

(q) "Project Document" is a project description translated from the project proposal as approved by the Assembly together with its annexes.

(r) "Work Plan and Budget (WPB)" is a set of document comprised of the schedule of activities and the respective budget.

(s) "Project Implementation Plan (PIP)" is a multi-year physical and financial plan covering the whole duration of the Project which is developed based on the Logical Framework Matrix. PIP serves as the basis in the preparation of the annual Work Plan and Budget.

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[1] Environmental and social safeguard policy: http://afocosec.org/policies-5/
[2] Gender policy: http://afocosec.org/policies-6/

(t) "Project Inception Meeting (PIM)" is a technical meeting between IA and the Secretariat to update the Project Documents.

(u) "Project Steering Committee (PSC)" is a supervisory and decision-making body for project implementation.

(v) "Soft asset" refers to an intangible asset which is not physical in nature (e.g. data, research outputs, photos, videos, intellectual outputs, etc.).

(w) "Hard asset" refers to a fixed asset or tangible resource with fundamental value, such as the assets most commonly appear on the balance sheet as property, plant, and equipment (PP&E) (e.g. computers, furniture, vehicles, machinery, etc.).

(x) "Direct costs" are **costs that can be directly attributed to the achievement of a specific project output**, e.g. labor, raw materials, equipment procurement/rental costs, etc.

(y) "Indirect costs" are costs that **cannot be directly attributed to and/or traceable to the achievement of a specific project output**, e.g. management, general administration, office rental, utility costs, etc.

2.   Project Management Flow

2.1   AFoCO Projects

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.

All projects should consider five (5) Environmental and Social Performance Standards (ESPS) and integrate gender related concerns accompanied by efforts to introduce gender-fair language in all phases of the project cycle. Both ESS and Gender considerations will respect national/domestic policies of the respective member countries.

The Implementing Agency (IA) is responsible for the implementation of project, including the submission of budget requests, reports, and financial statements. IA is government agency of the Member Countries, to be endorsed by the NFP/appropriate government agency of the proponent country based on its capability to carry out the project. IA can also nominate international organization, non-governmental organization, educational institution, research institution, or a private sector body as an implementing partner to fill-in technical capacity gaps, as and when required.

As and when necessary, the Secretariat may also provide technical and/or financial support to the proponent country(ies) to for the development of a full project proposal.

The Secretariat will issue an annual plan for the development and approval of Projects, including its timelines.

2.2   Approval Process of Projects

The approval and implementation process as well as the timeline from the stage of development of the concept note to the closure of the project are illustrated in **Figure 1** below.
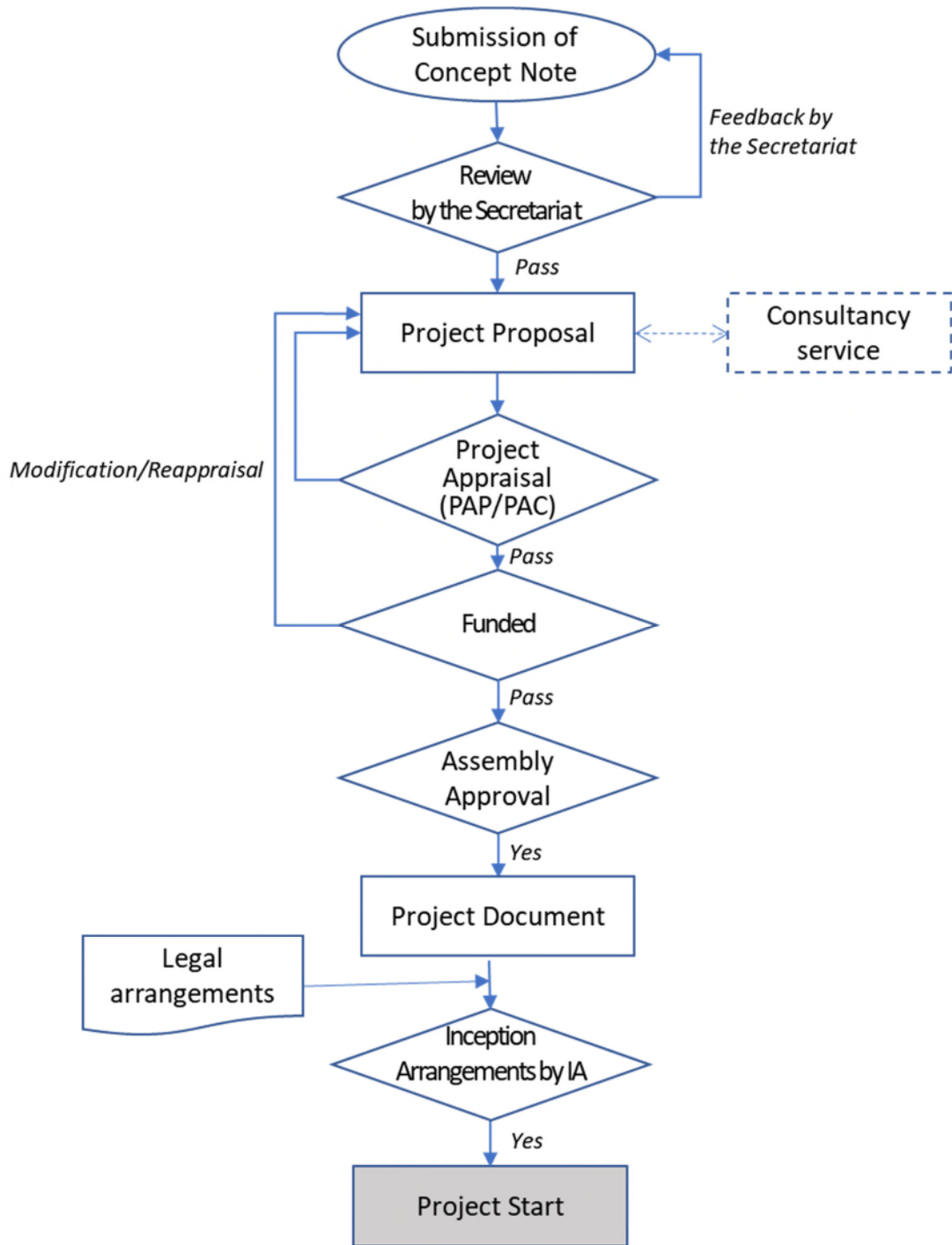
Figure 1. Approval process of a regular project

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.

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.

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.

3.2 Formulation of Project Proposal

Upon confirmation and approval of the Project Concept Note by the Secretariat, the IA and NFP should formulate a Project Proposal for a regular project using the template in **Annex 2**.

In the formulation of the Project Proposal, the budget for the monitoring, mid-term evaluation, when applicable, and final evaluation should be included in the Work Plan and Budget including cost assumption of the Project Proposal, following the template in **Annex 3**.

The project budget shall also include Program Support Fee which is up to 12% of the basic budget (all budget components which are not a Program Support charge). Likewise, indirect costs shall not exceed 20% of the total project budget.

3.3 Submission of Project Proposal

Project proposals should be submitted in time for the incoming Session of the Assembly each year. Respective NFPs should submit project proposal(s) to the Secretariat for official review and appraisal processes, following the templates.

A country can submit up to two (2) proposals at a time or within a year. Each country can implement a maximum of three (3) projects, which are fully or partially funded by AFoCO, at any point of time to ensure balanced opportunities for all member countries. If necessary, the Secretariat can provide consultancy services to improve the project proposal during its development phase.

4. Project Appraisal

4.1 Expert pool for project review

An expert pool will be established for project review. Each member country may recommend two (2) experts per area of expertise described below to the Assembly for their final nomination and approval on the Expert Pool. The nominated experts can be either a national of the country or a professional from any institution or international organization outside the country. At a given project appraisal period, the Executive Director will nominate any eligible international expert to maintain professional quality and balance of the expert pool. The Secretariat will develop a set of criteria to verify the qualifications of nominated experts.

Area of Expertise for Expert Pool

  (a) Forest restoration and rehabilitation

  (b) Forest and climate change

  (c) Forest ecosystems services and biodiversity conservation

  (d) Social forestry and local livelihood improvement

  (e) Forest disaster management

  (f) Forest policy and economics

  (g) Forest products

  (h) Social science and economics

  (i) Soil and land

The list of experts in the expert pool will be regularly updated by the Secretariat. The areas of expertise will be updated according to the strategic direction of AFoCO.

4.2 Appraisal Procedure

Immediately after submission of the Project Proposal by the NFP, the Secretariat will proceed with the appraisal of the Project Proposal.

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 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 PAP members shall work independently and the Secretariat will communicate and coordinate with the members to complete the appraisal process on time.

Following the establishment of the PAP, the Secretariat will forward the proposal to all PAP members electronically for their review and grading. The PAP will assess the proposal based on the following criteria.

     (a) Alignment to the objectives and strategic plan of AFoCO

     (b) Technical feasibility to address the problems identified in the project

     (c) Consideration and use of AFoCO's comparative advantages

     (d) Cost effectiveness

     (e) Sustainability or relevance of project to country's needs and policy direction

     (f) Consideration of gender mainstreaming in the project cycle

The Secretariat may organize an appraisal meeting within four (4) weeks after circulation of the proposal among the PAP members. The PAP members should give their final grading scores and comments, using the prescribed template in Annex 4. If deemed necessary, the Secretariat may organize a field visit to the proposed project site(s).

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

4.3   Grading Systems

After receiving the appraisal grades from all three (3) PAP members, a final grade will be given for a project proposal and follow-up action will be determined as shown in **Table 1**.

Table 1: Grading system for project proposal and follow-up actions

PAP member 1	PAP member 2	PAP member 3	Final grade	Follow-up action
A	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

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 questions by the PAP members are fully addressed.

Immediately after receiving a final grade by PAP, the Secretariat will establish a Project Appraisal Committee (PAC) headed by Executive Director to deliver final decision on the project appraisal to proceed to the fund mobilization.

All comments and recommendations of the PAP and PAC on the project proposal should be appropriately addressed by the NFP prior to its approval by the Assembly.   As necessary, the Secretariat may provide a consultancy service to improve the quality of the project proposal.

5.   Project Approval

In accordance with the Rules of Procedures of the Assembly, the Secretariat will submit the project proposal(s), which have secured funding, at the immediate session of the Assembly. The decision of the Assembly is final and no modification of the proposal is allowed after approval, particularly its objectives and outputs.

6.   Project Funding

6.1   Fiscal Year and Official Currency

The fiscal year of an AFoCO project will follow the fiscal year of the Secretariat, i.e. from 1 January to 31 December, except for particular requirements from donor(s). The official currency of AFoCO projects will be the United States Dollar (US$), except for particular requirements from donor(s).

6.2   Funding

The sources of funding for the projects are voluntary contributions, gifts, donations, and other sources. The Secretariat will organize a donors meeting as and when required.

The Secretariat will seek funding for the approved project.

7. Implementation Arrangement

The Secretariat and the NFPs of all participating countries will sign a project implementation arrangement which may be in the form of any of the following, subject to the consideration and requirements of the concerned donor and Member Country(ies), e.g. signed project document, Memorandum of Understanding (MoU), Project Agreement, etc. using the template in **Annex 5.**

The said arrangement will take effect from the date of its signing until the end of the project period. The start and completion date of the project will be stipulated in the said legal arrangement, considering its actual implementation after the completion of such arrangement.

At this stage of the project inception, the IA should review the project document and check all information including project design, project budget, and the start and end dates of the project is still valid. If any changes are required, the IA may introduce revisions/enhancements at the activity level only and thereafter submit the revised project document to the Secretariat. Likewise, project duration may be reduced provided that the project objectives, outputs and project budget remain the same. Upon mutual consultation, the final revised version of the project document with a cover page in the said template will be used as the attachment to the legal instrument.

The IA is authorized to make any subcontracts solely for the implementation of the project, among others, service contracts, and agreements in accordance with the approved annual work plan and budget.

For legal arrangements that are not stipulated in the annual work plan and budget, prior consultation with the Secretariat is required.

8.   Project Inception

8.1   Notification of Inception Arrangement

Upon signing of the project implementation arrangement, the IA should submit a notification on inception arrangements within two (2) months, following the template of letter and the report in **Annex 6**.

The notification on inception arrangements ensures that proper preparation is completed for project implementation. In the notification, the IA must confirm that the following three (3) issues have been addressed:

- Subject to domestic policies and regulations, a project bank account in US$ has been opened;

- a Project Steering Committee (PSC) has been formed in cases where the project budget exceeds US$ 200,000;

- a multi-year Project Implementation Plan (PIP), and

- adequate resources such as appointment of core project personnel, installment of office facilities, and local contracts with collaborating agencies are in progress.

The annual Work Plan and Budget (WPB) for the first year should be attached with the notification on inception arrangements. In addition, the IA should make a budget request.

8.2   Project Inception Meeting

A Project Inception Meeting (PIM) will also be organized which may coincide with the 1st PSC meeting. The PIM serves as a venue to update the Project Documents in view of the changes or circumstances that have occurred since the Project Proposal was prepared and approved. The meeting is expected to enhance and update the PIP based on the confirmed and submitted first year annual WPB.   Likewise, review and updating/enhancement of the Project's Logical Framework especially its indicators, baseline information and relevant assumptions will be tackled by the IA and project stakeholders during the PIM. The output of the PIM will basically include its Record of Discussions (RoD), finalized WPB, PIP and updated Logical Framework.

Upon confirmation of the Project Steering Committee (PSC), the updated and enhanced WPB, PIP and Logical Framework will be the basis of the IA, PSC and the Secretariat in the approval of the Annual WPB as well as in the monitoring and evaluation of the Project.

8.3   Pending Inception

In case that the IA, without any prior consultation with the Secretariat, has not submitted the notification of inception arrangements within twelve (12) months from the date of signing MOU, a pre-termination or further extension of the project inception will be mutually discussed by the concerned NFP and the Project the Executive Director. Upon which, such discussion and/or agreements will be reported to the Assembly for consideration and further action.

9.   Project Steering Committee

A Project Steering Committee (PSC) will be formed to supervise a regular project. However, the establishment of a PSC is not required for a regular project with a budget equal to or less than US$ 200,000. The Secretariat, in consultation with the NFP, will supervise such projects.

In the case of a regular project, the NFP of the implementing country should facilitate the establishment of a PSC, in consultation with the Secretariat. The composition of the PSC should include the NFP, the representative of the Secretariat, an official/expert in charge of ESS, and representatives from relevant ministry, departments and project stakeholders, as and when necessary.

The PSC is responsible to form a project monitoring team in accordance with Article 3.4 of the AFoCO Guidelines for Project Monitoring and Evaluation. In case there is a need for revision of work plan and budget, the PSC is responsible to review and decide on such revision for as long as the objectives and outputs of the Projects will be maintained and the cost adjustment will be within 10% of the annual budget. The PSC should also be assisted by its Secretariat headed by the Project Manager/Coordinator.

The operationalization and management of the PSC to include roles and functions, composition and Rules of Procedures (RoP) is discussed in details in **Annex 7.**

10.   Project Implementation

The guidelines for project implementation listed in this section are applicable for regular projects only. An annual cycle of project implementation is described as follows (**Figure 4**).

Jan - Submission of Annual Progress & Financial Report - Q1&Q2 Budget Transfer	**Aug**	**Sep** - Participation to ATW
Feb - Monitoring (on-site verification, if necessary)	**Jul** - Submission of Mid-year Progress & Financial Report - Q3&Q4 Budget Transfer	**Oct** - Submission of Annual Plan & Budget - Progress update to the Assembly
Mar - PSC Meeting - Q1&Q2 Budget Transfer	**Jun**	**Nov**
Apr	**May**	**Dec**
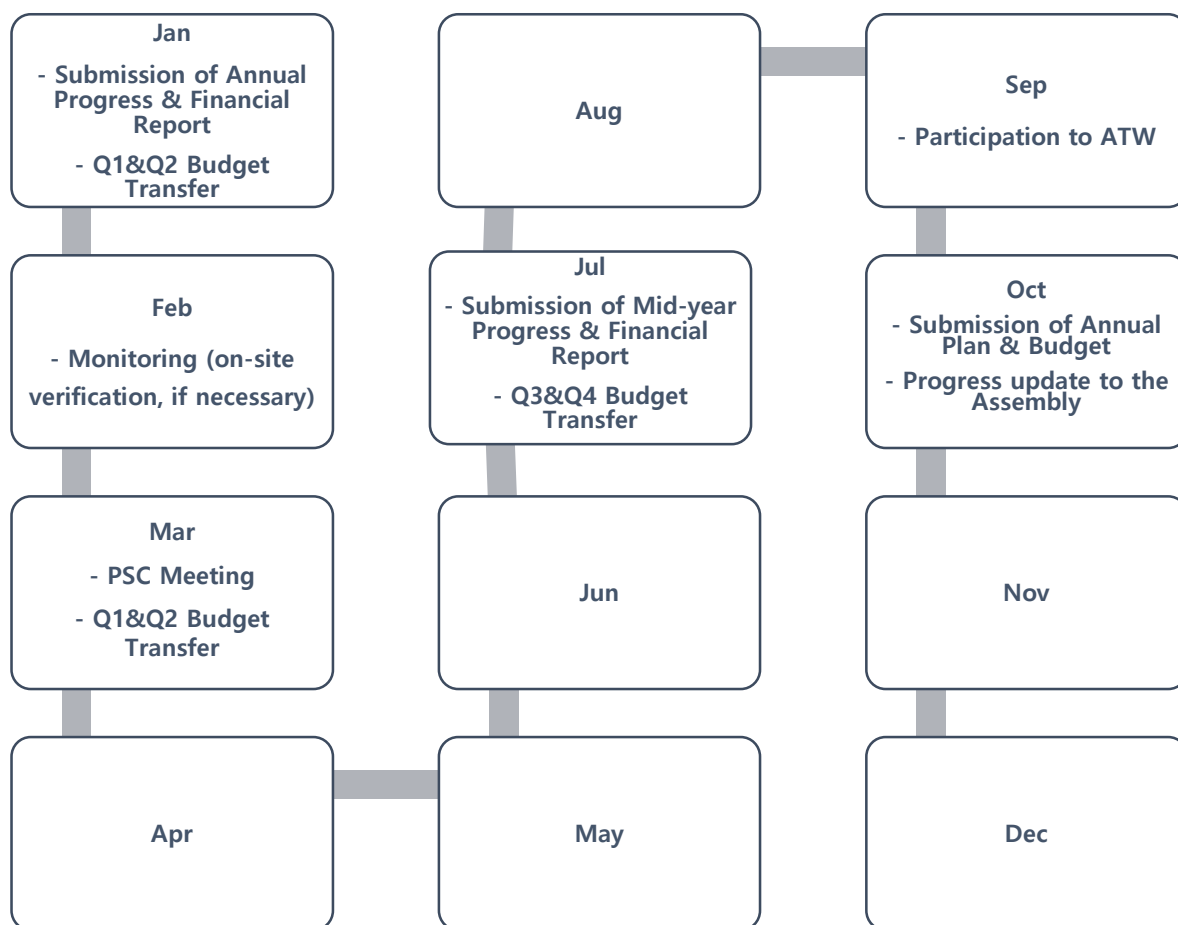
Figure 4. Annual cycle of project implementation

10.1 Annual Work Plan and Budget

Consistent with the updated PIP, the IA should prepare the annual work plan and annual budget, using the templates in **Annex 8**. The annual work plan should cover.

The PSC should approve the annual work plan and budget through written official communication prior to its regular meeting before submission to the Secretariat.

Following approval by the PSC, the IA should submit the annual work plan and budget to the Secretariat through NFP. In the first fiscal year, they should be submitted together with the notification on inception arrangements (see Article 8). For the following fiscal year, the date of submission shall be no later than 31 October.

10.2 Budget Request

The IA can submit the first budget request to the Secretariat together with the notification of inception arrangements, annual work plan and budget for the first fiscal year.

For the subsequent budget requests, the IA should make budget requests to the Secretariat twice a year, no later than 15 June and 15 December each year using the template in **Annex 9**. All subsequent budget requests should be based on the approved annual work plan and annual budget. All budget requests shall be approved by Secretariat taking into consideration the request of the IA and any other relevant considerations in order to optimize the use of budget/resources for AFoCO projects.

10.3 Annual Technical Workshop for Project Management and Performance Review

During the stage of project implementation until its termination, the Secretariat will organize the Annual Technical Workshop for Project Management and Performance Review (ATW). The purpose of the Workshop is to revisit the current year's achievements/progress, as reflecting and sharing each project's lessons-learned, successful cases/practices, interesting project development ideas (potential in-country or regional projects) among IAs.

The ATW is a leading platform to invite all the implementing agencies in one place to discuss the technical issues during the project implementation. As a channel between the IA and the Assembly, the recommendations of the IAs for AFoCO's project implementation and management will be reported to the Assembly in due course.

10.4 Project Reports

All the project reports should be submitted to the Secretariat following the standard templates. A standard template for financial receipts and attendance sheet is shown collectively in **Annex 10**.

When the IA submits other reports such as technical reports and workshop proceedings produced, the IA can utilize its own template and design for such other reports. These reports may contain, among others, procedures and methodologies adopted, data collected, information shared, results achieved and conclusions reached. The reports should be submitted to the Secretariat with accompanying front page, using the template in **Annex 11**.

10.4.1 Financial Report

The IA should submit regular financial reports twice a year for the periods from 1 January to 30 June and 1 July to 31 December, no later than 15 January and 15 July each year, using the attached template in **Annex 12**. Delays in the submission of financial reports without prior notification may affect subsequent budget releases. A financial report includes a statement of cash flow, a balance sheet, a statement of expenditures, and where applicable, other in-kind and in-cash contributions. The IA should maintain all supporting documents and proof of payments or receipts for financial audit and other verification purposes.

10.4.2 Mid-year Report

The IA should submit a mid-year report which covers the period from 1January to 30 June, no later than 15 July each year, using the attached template in **Annex 13**. The report should include relevant project photographs with proper descriptions. Original electronic files of the photographs in the reports should also be submitted.

10.4.3 Annual Report

The IA, through NFP, should submit an annual report for the period from 1 January to 31 December, no later than 31 January of the next year, using the attached template in **Annex 14**. The report should also include relevant project photographs with proper descriptions. Original electronic files of the photographs in the reports should also be submitted.

10.5 Revision of Multi-year Work Plan and Budget

Substantial revision of the multi-year work plan and budget may be considered based on the results and recommendations from the conduct of mid- project evaluation. The revision may refer and cover, among others changes beyond the activity level, such as: cost cutting, reduction of project components/outputs and project extension without cost to be effected for the remaining years of the Project. Correspondingly, the NFP, in consultation with the Secretariat and donor(s), should submit a proposal for the revision of multi-year work plan and budget to the Assembly for approval.

10.6 Procurement of Goods and Services

Procurement of goods and services including its disposal arrangement should follow "Procurement Guidelines for Project Goods and Services" including the basic principles of the Policy of AFoCO on Anti-Money Laundering and Countering the Financing of Terrorism[3], and the Policy on Information Disclosure[4].

10.6.1 Tax Exemption

Following the provisions in the MOU, AFoCO, as an inter-governmental organization, encourages IAs to undertake necessary actions and provide administrative support by communicating with the relevant authorities to ensure that procurements are exempt from tax. For the procurements for contracts costing less than US$3,000 (including tax), tax exemption may be omitted with a consultation with the Secretariat.

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[3] Policy of AFoCO on Anti-Money Laundering and Countering the Financing of Terrorism http://afocosec.org/policies-3/

[4] Policy on Information Disclosure http://afocosec.org/policies-4/

10.6.2   Publicity

The IA should acknowledge funding from AFoCO, the IA and any other donor and display their emblem and inventory code in all procured project properties under the guidance of the Secretariat. The logo and emblem of AFoCO shall be downloaded from the official website of AFoCO (www.afocosec.org). The instruction and samples for the display of emblem and inventory code is in **Annex 15**.

10.7 Property Management

Consistent with the prevailing domestic regulations of the implementing country, the IA should be responsible for the management of AFoCO project property pertaining to all systems governing its receipt, recording, utilization, safekeeping, maintenance and disposal, including by sale. The IA should submit to the Secretariat, the statement of procurement and inventory status of procured goods as part of the project annual report and/or upon request by the Secretariat whenever necessary.

During the Project Inception Meeting (PIM) both IA and the Secretariat will agree on the initial property management arrangements for the purchased items by project with due consideration of relevant domestic policy of the implementing country. Said arrangements will be documented as part of the Record of Discussion of the Meeting.

10.7.1   Soft Asset Management

During the implementation of the project, the IA should ensure to regularly update soft asset of the Project using the template in **Annex 16**.

10.7.2   Hard Asset Management

Any other physical items procured by the project fund are regarded as hard asset of AFoCO until its disposal process will be arranged between IA and the Secretariat.

Similarly, the use of the said items, during the implementation of the project, should be connected with the work and activities of the project. The IA shall be responsible for ensuring adequate maintenance during and after the project implementation, following its national policy. Maintenance of the items, during and after the project implementation, will be covered by the IA. During the implementation of the project, the IA should ensure to regularly update the status using the template in **Annex 16**.

The depreciation period will generally follow the government policy of the concerned implementing country. If the project implementation period is longer than the depreciation period, the items shall be used until the end of the project implementation.

10.7.3   Vehicle Management

Project vehicle procured by the project fund is regarded as hard asset of AFoCO until its disposal process is arranged between IA and the Secretariat.

The use of project vehicles, during the implementation of the project, should be connected with the work and activities of the project. The IA shall be responsible for ensuring adequate maintenance during and after the project implementation, including arrangements for insurance coverage following the national policy on vehicle management of the government.

The depreciation period of project vehicles will generally follow the government policy of the concerned implementing country. If the project implementation period is longer than the depreciation period, the project vehicle shall be used until the end of the project implementation.

If a substantial revision of the work plan and budget is necessary for the forthcoming year, the IA should submit a proposal for the revised work plan and budget to the PSC. Any proposed revision should not affect and alter the original project objectives and duration.

The PSC can authorize the revision of the work plan and reallocation of up to 10% of the total budget, provided that any budget reallocation within each key activity is be kept below 10%.

10.8 Management of Project Personnel

Any project personnel appointed for day-to-day management and implementation of project activities should meet the minimum criteria, in accordance with existing norms and regulations of the government of the IA. The recruitment of the project staff should be based on their experience working on similar projects, performance in other projects, compliance with rules and procedures, and previous remuneration rate.

For the recruitment of any project personnel, the IA should develop Terms and Conditions, and enter a service contract with the candidate on an annual basis. The remuneration for project personnel should be decided based on the average remuneration received by similar employees of other nonprofit organizations in the country where the project is operated.

For the assignment of seconded government officials as project personnel, the IA should make appropriate arrangements for remuneration and other entitlements according to existing norms and policies of the government of the IA. The IA should consider the workload and human resources allocation of the project personnel in the work plan and budget.

Domestic responsibilities and entitlements such as income tax, health insurance, travel insurance, office hour, leave and holiday entitlements should be in accordance with the national laws and regulations of the country where the project is operated. Regarding international travel and daily allowances, the standard rates of the Secretariat should be applied.

For any other personnel who do not receive regular payment such as consultancy or special service, the IA should have a separate service contract signed with such personnel under specific terms and conditions.

11. Project Monitoring and Evaluation

Generally, monitoring focuses on project input, activity and output, while evaluation considers beyond them towards project outcomes and goals considering external factors of the project. As interactive activities, monitoring and evaluation is conducted in the project cycle as described in **Figure 5**. Detailed information and guidance for monitoring and evaluation are stipulated in **"Guidelines for Project Monitoring and Evaluation"**.

M&E of AFoCO project is based and oriented on Results Based Management (RBM), which is a 'management strategy focusing on performance and achievement of outputs, outcomes, and impacts' according to the OECD Development Assistance Committee (DAC). In light of the RBM framework, project monitoring and evaluation is guided by the following principles:

- **Impartiality**

M&E processes should be impartial and take into account the views of all stakeholders. M&E processes should be free from external influence and bias to provide comprehensive and objective results of the project including a truthful description of successes and shortcomings of the project.

- **Utility**

M&E should be usable for intended users. Those findings and recommendations, which are relevant to the issue as well as at an appropriate time, will contribute to better project performance and decision-making.

- **Credibility**

M&E should be based on reliable data, observations, and references ensuring a high quality of standards in a professional field. M&E results should be replicable to build on existing evidence and reference.

- **Measurability**

M&E should be implemented using measurable indicators as much as possible to assess the contribution and achievements of AFoCO.

- **Partnership**

M&E processes should be pursue involving multiple stakeholders, who are affected by the M&E results. Those active partnerships will make M&E results better understanding and more utilized for future actions.
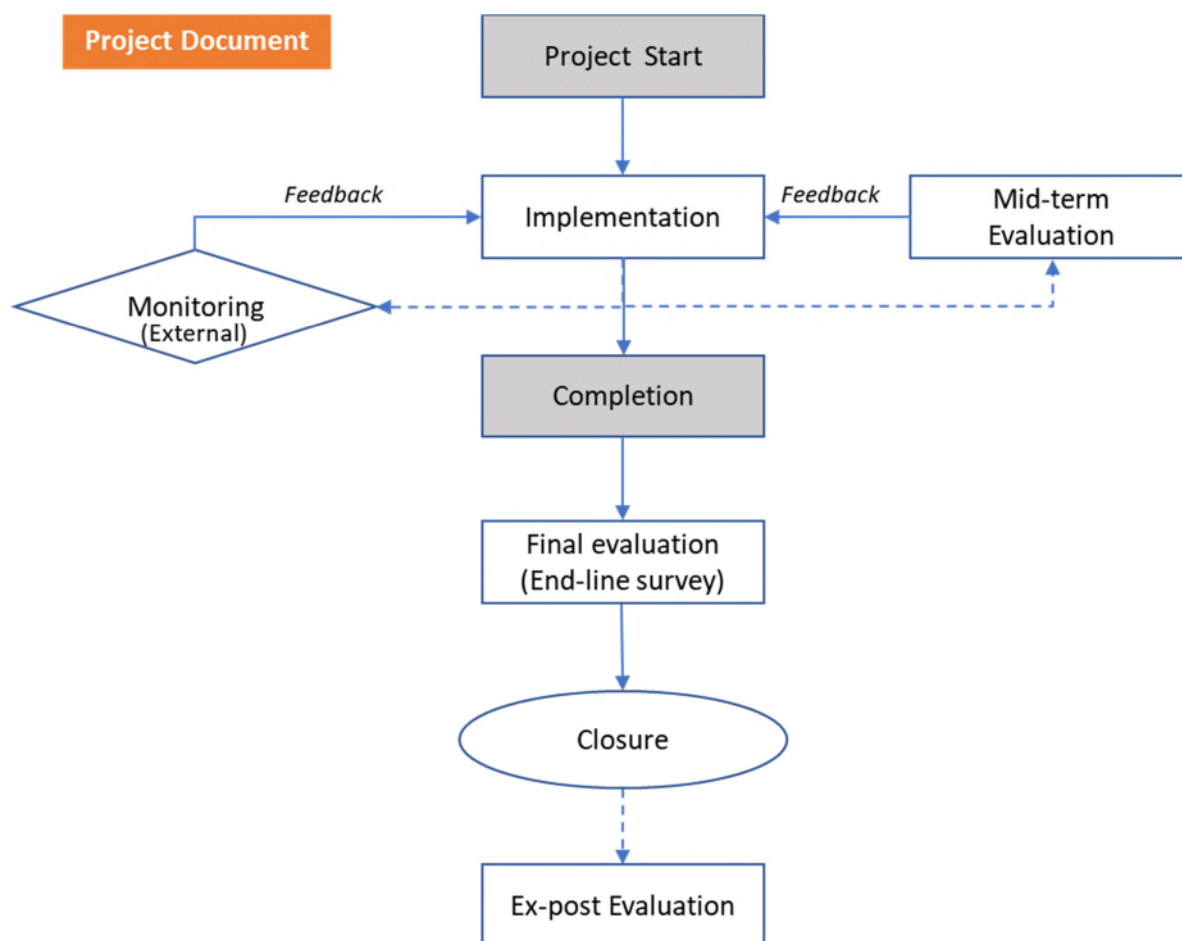
Figure 5. Flow chart of project monitoring and evaluation

12.　Project Suspension

12.1　Conditions for Suspension

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.

12.2　Procedures for Suspension

When any situation or terms of the project is regarded and mutually agreed by the PSC as the conditions stipulated in Article 12.1, the Executive Director should notify the NFP with the

effective date of suspension to immediately suspend the implementation of the project, including suspension of funds.

Upon the notification of suspension, the NFP should notify the IA immediately on the suspension actions. The IA shall not incur any further expenditure and shall keep all assets and funds in safe custody from the effective date of suspension. The NFP should inform the Executive Director that the suspension is duly notified to the IA and the project is under suspension.

The Executive Director should report the suspension of the project to the President of the Assembly and the donor(s) immediately upon notification of suspension. The Executive Director will take the required action in accordance with the decision and guidance of the Assembly.

12.3 Lifting Suspension

Upon the mutual agreement by the PSC, the NFP may request the Executive Director to lift the suspension on the project after the IA has satisfactorily taken corrective measures for suspension in accordance with the decision and guidance by the Assembly and when it is ready to resume project operations. The Executive Director may lift the suspension upon the request from the NFP and must report on the action taken immediately to the Assembly.

13. Project Termination

13.1 Conditions for Termination

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:

    (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.

13.2 Procedure for Termination

When any condition stipulated under Article 13.1 is observed or reported, the Executive Director should notify the NFP to immediately suspend the implementation of the project with the effective date of suspension, including suspension of funds. The Executive Director should propose the termination of the project to the immediate session of the Assembly for consideration and approval. The project will be terminated in accordance with the schedule

and arrangement decided by the Assembly. The Secretariat will inform the donor(s) of the decision of the Assembly to terminate the project.

In accordance with the decision of the Assembly, the IA shall submit a termination report, and return the unused funds to the Secretariat together with a financial statement within three (3) months from the date of the project termination. The IA should cover any costs incurred for any arrangement from the date of termination until the submission of the termination report to the Secretariat. The termination report should include relevant evidence and project photographs, if any, with proper descriptions. Original electronic files of the photographs in the report should also be submitted.

The Executive Director will arrange a financial audit upon receipt of the financial statements from the IA.

14.   Financial Audits

Normally, a financial audit is required after the completion of the last project activity and the IA is responsible for allocating the budget for financial audit. For regular projects, the NFP, in consultation with the IA, will select an independent auditor or a similar third-party auditor. The contract for financial audit should be signed by the NFP, the IA, and the auditor, in accordance with the rules and regulations of the country where project is operated. Depending on domestic requirements/regulations, internal audits may be conducted by a competent government agency as long as it is independent from the IA. The cost for all financial audits should be estimated based on the market rate and be included in the budget of the project accordingly. The officer-in-charge will issue the audit certificates following the template in **Annex 17**.

The auditor will conduct the audit in accordance with generally accepted accounting principles. The IA should ensure that all records are available, all accounting entries and adjusting entries are completed, and that all other necessary steps have been conducted to enable the auditor to perform the audit. The auditor will submit the financial audit report to the NFP, the IA, and the Secretariat before submitting the completion report, which will include the auditor's opinions, general information, and financial statements.

The Secretariat will review the financial audit report and request the IA to take any corrective action, if required, before the submission of the completion report and final audit report.

If deemed necessary, the Secretariat, in consultation with NFP, will conduct a financial audit for pre-projects.

In the case where an interim or special financial audit is required for a project, the Secretariat will cover the costs and conduct a financial audit through an independent auditor or a similar third-party auditor.

15. Project Completion

15.1 Final Coordination and Evaluation Meeting

As part of project completion, the IA should organize a Final Coordination and Evaluation Meeting at least forty-five (45) days prior to the completion date. The IA, in consultation with the PSC members, will prepare the Meeting agenda and program, and identify the date and venue of the Meeting.

IA should prepare and circulate a draft completion report, in accordance with Article 15.2, sixty (60) days before the Meeting. When preparing the draft completion report, the IA should ensure that all information and accomplishments in the report are properly validated.

Upon the submission of the draft project completion report by the IA to the Secretariat, the Secretariat conducts the final evaluation. The procedures of the final evaluation is in "**Guidelines for Project Monitoring and Evaluation**".

The findings and recommendations, as discussed at the final evaluation meeting, in the draft completion report and the final evaluation provide the IA an opportunity for corrective measures before the project formally closes, and supports the continuation of a new phase or implementation of follow-up projects. The IA should present the draft completion report at the Meeting.

In accordance with the Policy on Information Disclosure, both IA and the Secretariat will decide the sustainable knowledge sharing strategies of soft property (e.g. data, photos, videos) and the final disposal process and arrangements for the hard asset (e.g. computers, furniture, vehicles, machinery). IA will update to the Meeting on the list of soft and hard asset inventory. Following the decisions, the IA should include the relevant information in the project completion report. The detailed guidelines and principles related thereto are discussed in the "**Procurement Guidelines for Project Goods and Services**".

The Meeting will make comprehensive consideration of the final evaluation and finalize the completion report.

15.2 Completion Report

The completion report is the final project report, and should be drafted using template given in **Annex 18**. The completion report should include relevant project photographs with proper descriptions. Original electronic files of the photographs in the completion report should also be submitted. The IA should submit the completion report and the financial audit report to the Secretariat within three (3) months from the completion date of the project. The completion report will be submitted to the Assembly and the donor(s) accordingly.

The IA is responsible to maintain the reports and financial records, in both original copies and electronic files, for five (5) years after completion of the project in line with the financial regulations of the Secretariat.

15.3 Closure of the Project

15.3.1   Administrative Termination

The Secretariat should announce the closure of the project after: (1) reporting on the completion of the project to the Assembly; (2) receipt of satisfactory financial audit report; and (3) receipt of unused funds from the IA.

The IA should close the project bank account after returning any remaining funds in the project account to the Secretariat.

Subject to the availability of the Program Support Fee in the last implementation year, the Fee can be considered as the project emergency grant for IA, in order to compensate the loss from the fluctuation of exchange rates between the currency(ies) of donor(s) and that of the project (USD).

15.3.2   Property Management after the Project

The Secretariat and/or IA will ensure that goods and/or services to be procured conform to applicable legal and other requirements whenever possible, and the procured goods and/or services as well as soft and hard assets generated by project fund to be properly managed as functional and usable during and after the project implementation.

15.4 Dissemination of Project Accomplishments

All the project reports should be the main means for the dissemination of project accomplishments. All reports and other publications under the project should explicitly state that they are part of the documentation produced to disseminate the results to all member countries and other interested parties. The IA should also provide an effective means for national level dissemination of the results through press releases and featured articles in national publications.