**ASEAN Project Appraisal and Approval**

**Information Note**

The purpose of this Information Note is to provide general information on the Standard Operating Procedure on Project Appraisal and Approval (SOP PAA) and Project Proposal Development for ASEAN cooperation projects utilizing project trust funds established by ASEAN and its external partners and managed by ASEAN Secretariat.

Projects appraised and approved through the ASEAN SOP PAA are automatically recognised as ASEAN cooperation projects. Projects shall fulfill the following criteria to be recognised as ASEAN cooperation project:

1. Address challenges at the regional level and create synergy with other projects addressing the same issues;
2. Benefit ASEAN and engage all ASEAN Member States equally;
3. Aligns with the ASEAN Community Blueprints and relevant ASEAN documents; and
4. Endorsed by either the relevant ASEAN sectoral body/bodies or the CPR, or both.

In order to fulfil the main elements of the PAA, project needs to adhere the following guidance of submission, review, appraisal and approval of the ASEAN cooperation projects.

1. **Proposal Development**
2. The proponent shall refer to the prescribed ASEAN Project Proposal template (and/or agreed template with the external partner). The *Handbook on Proposal Development for ASEAN Cooperation Projects* provides general guidance on how to fill-up the project proposal template. The handbook and project proposal templates are accessible at this [link](http://asean.org/resource/asean-project-templates/): <https://asean.org/resource/asean-project-templates/>
3. As such, the Proponents submitting project proposal for ASEAN cooperation project are required to:
4. Ensure that the ASEAN cooperation project is aligned with the ASEAN Community Blueprints and relevant ASEAN documents;
5. Identify the sponsoring ASEAN body in the project proposal per consultations with the ASEAN Secretariat;
6. Seek guidance from the relevant ASEAN Sponsoring Body during the development of the project proposal;
7. Consult the relevant Programme Management Team (PMT), if applicable, prior the submission of the project proposal;
8. Attach the interim or completion reports of previous project phases when submitting recurring/next phase project proposals and take into account the results, feedback and inputs from the former during the design of the latter. Next phase project proposals shall be processed as a regular project proposal through the appraisal and approval process; and
9. Identify the proposed funding source before submitting the project proposal for appraisal. Proponents may coordinate with the ASEAN Secretariat and relevant established PMT (if any) or relevant Mission to ASEAN if applicable.
10. **Proposal Submission**

The ASEAN Proponent may submit proposals to the ASEAN Secretariat through an ASEAN Member State (ASEAN National Secretariats, line agencies, ASEAN bodies), or directly to relevant Sectoral Division, External Relations Divisions (ERD) or Programme Cooperation & Project Management Division (PCPMD).

Proponents from external partners may submit proposals directly through ERD or a relevant Sectoral Division, with a copy provided to PCPMD.

* The proposal shall be reviewed and referred to the relevant Desk Officer (DO) with purview over the sectoral issue in the ASEAN Secretariat.
* Project proposals to follow the ASEAN project proposal template, electronically, and in Microsoft Word format.
* Completely filled-up project proposals in ASEAN cooperation template submitted to the ASEAN Secretariat at least **83 working days** prior to the intended project implementation date.

1. **Project Appraisal and Approval**
2. Mechanism for the ASEAN Secretariat Review comprises of Proposal Appraisal Meeting (PAM) and Project Appraisal Committee (PAC).

* PAM shall focus on adherence of the project proposal to the ASEAN Cooperation Project Proposal Template, as well as on the clarity of each section of the template, including benefits and the participation of the AMS, objectives, outputs, indicators, means of verification, and the project management.
* PAC shall focus on the project’s relevance, regionality, attainment of results, cost-efficiency, impact, sustainability and other relevant strategic issues pertaining to the project.
* For project with poor quality or incomplete information, the ASEAN Secretariat shall return the proposal to the proponent for revision.

1. ASEAN Sponsoring Body(s) Endorsement

* The ASEAN Secretariat submits the proposal to the ASEAN Sectoral Body(s) for review and endorsement. For cross-sectoral project, the ASEAN Secretariat shall submit the proposal to the Relevant ASEAN Co-sponsoring Body for support and the Lead ASEAN Sponsoring Body for endorsement.
* If the proposal received comments from the ASEAN Secretariat and the ASEAN Sponsoring Body, the ASEAN Secretariat shall send the project proposal and the appraiser’s comments to the proponent for revision. The proponent shall return the revised project proposal to the ASEAN Secretariat within 10 working days. Upon request from the proponent, the revision time can be extended up to 30 working days and another 20 working days after which the proposal appraisal will be terminated. The proponent may opt to re-submit the reformulated proposal to the ASEAN Secretariat after the deadline, but in such cases, the proposal shall be considered as a new submission.

1. Final Approving Body(s) Approval

* The ASEAN Secretariat shall submit the proposal to the CPR as the final approving body on behalf of the ASEAN Member States. If the proposal received comments from the CPR, the ASEAN Secretariat shall send the project proposal and the comments to the proponent for revision.
* For projects seeking funding from ASEAN-external partner Trust Funds, once the CPR approval is secured, the ASEAN Secretariat shall submit the approved project proposal to the respective partner for approval, either through the Country Coordinator or directly to the partner. It shall respond to the project proposal within 45 calendar days.
* The project proposal shall be considered rejected by the partner if no response within 45 calendar days. ERD shall inform the proponent accordingly.

1. **Post CPR Approval**

If the external partner revised the project proposal and the revision (s) fulfill any of the criterion that required resubmission to the CPR, then the revised proposal submitted for the Post CPR Approval process. The following are the criteria for post CPR approval:

* Upward or downward revision of the total project cost of more than 25% from the initial funding amount;
* Change in the ASEAN Sponsoring Body or Working Group;
* Revision to the scope and intended beneficiary(s) of the project;
* Revision to the project’s objective(s) and intended outputs;
* Change in management and implementation arrangements, as deemed necessary by the ASEAN Secretariat; and
* Change in the funding source.

For such projects, the ASEAN Secretariat shall inform and submit the revised project proposal to the ASEAN Sponsoring Body(s) and the CPR for re-approval.

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