

**Annex VII: Project and programme activity cycle**

KEY STAGES AND INDIVIDUAL STEPS		ACTOR(S)	RESPONSIBILITY AND TASK
<b>0. Country and/or regional work programme (voluntary) <sup>1</sup></b>			
0.1	Submission of country work programme	National designated authority (NDA) or focal point	Submit country work programme to Secretariat. Readiness support from Fund for countries upon request. NDA may inform Secretariat of preferred accredited implementing entities (IEs)/intermediaries that will implement programmes and projects under the work programme.
0.2	Compilation of country work programmes	Secretariat	Compilation of country work programmes submitted to the Board for information.
<b>I. Generation of programme or project funding proposals</b>			
1	Call for funding proposals	Secretariat	The Secretariat publishes regular calls for funding proposals on the Fund's website, as directed by the Board. NDAs, IEs and intermediaries may also submit spontaneous funding proposals to the Secretariat, which would be subject to this approval process.
<b>II. Concept development (Voluntary)</b> If detailed funding proposal exists, go to Stage III			
2.1	Concept note submission	IE, intermediary or EE (e.g. project/programme sponsor)	The IE or intermediary submits the concept note to the Secretariat (Board needs to decide on provision of proposal development funds and on process for provision).
2.2	Feedback and recommendations on the concept	Secretariat, NDA/focal point	In consultation with the NDA or focal point, the Secretariat provides feedback and recommendations to the IE or intermediary, and clarifies if concept is endorsed, not endorsed with possibility of resubmission, or rejected.

<sup>1</sup> This is not part of the initial proposal approval process

III. Submission of funding proposal			
3.1	No-objection	NDA/focal point	No-objection by the NDA or focal point, in line with the Fund's transparent no-objection procedure to be agreed by the Board.
3.2	Funding proposal <sup>2</sup> submission to the Secretariat	IE/intermediary	Full proposal submitted to the Secretariat in accordance with the transparent no-objection procedure. The Secretariat acknowledges the submission of the documentation, reviews it for completeness, and acknowledges receipt.
IV. Analysis and recommendations to the Board			
4.	Analysis and recommendation to the Board	Secretariat, technical advisory panel	<p>The Secretariat carries out necessary and appropriate second-level due diligence. The Secretariat also assesses compliance with Fund interim environmental and social safeguards, gender policy, financial policies and any other policies promulgated by the Board, in addition to performance of the project or programme against activity-specific criteria (as contained in the investment framework).</p> <p>The technical advisory panel independently assesses performance of the project or programme against activity-specific criteria.</p> <p>The Secretariat submits the following documentation to the Board:</p> <ul style="list-style-type: none"> <li>• The final funding proposal as submitted by the IE or intermediary;</li> <li>• The Secretariat's assessment of compliance with safeguards and policies and performance of the project or programme against activity-specific criteria. Proposals that best achieve the Fund's objectives will be selected based on selection process methodologies to be approved by the Board;</li> <li>• The technical advisory panel's independent assessment of and advice regarding the performance of the project or programme against activity-specific criteria;</li> <li>• A summary of the second-level due diligence carried out by the Secretariat;</li> <li>• A cover note containing: the funding recommendation by the Secretariat; and a summary of the proposal and the underlying assessments with respect to the activity-specific criteria.</li> </ul>

<sup>2</sup> The appraisal toolkit will include, inter alia, guidelines for multi-stakeholder consultations and engagement in line with Performance Standard 1 of the interim environmental and social safeguards and in accordance with future guidance provided through the Fund's Environmental and Social Management System

V. Board decision		
5.	Board decision	<p>Board, Secretariat</p> <p>The Board takes a decision<sup>3</sup> to:</p> <ul style="list-style-type: none"> <li>(i) Approve the funding proposal; or</li> <li>(ii) Provide an approval that is conditional on modifications to project or programme design or subject to availability of funding; or</li> <li>(iii) Reject the funding proposal.</li> </ul> <p>The decision is recorded by the Secretariat and communicated to the Interim Trustee. The Secretariat informs the IE or intermediary and the NDA or focal point of the decision and next steps.</p> <p>In the case of rejection, the Secretariat will inform the developing country that, in accordance with decision B.06/09, they may request reconsideration of the funding decision via the independent redress mechanism.</p>
VI. Legal arrangements for approved proposals		
6.1	Legal arrangements	<p>Secretariat with IE or intermediary</p> <p>Necessary legal arrangements between the Fund and the IEs and intermediaries. Legal agreements are signed by the Executive Director and by the IE or intermediary. The Interim Trustee is notified. The NDA or focal point are informed.</p>
6.2	Letter of commitment	<p>Interim Trustee</p> <p>The Interim Trustee provides a letter of commitment subject to availability of funding.</p>

<sup>3</sup>Guidelines for decision-making regarding funding proposals, including for decisions in-between meetings, will be defined by the Board.