1. Introduction

The Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) Republic of Korea (ROK) Cooperation Fund (BKCF) was established in 2021 by the ROK. It aims to contribute to promoting inclusive and balanced growth in the Southeast Asia region and ASEAN Connectivity by strengthening the partnership between the BIMP-EAGA and the ROK.

It also aims to support the BIMP-EAGA’s Vision 2025 (BEV 2025) of a “Resilient, Inclusive, Sustainable and Economically competitive (R.I.S.E) BIMP-EAGA to narrow development gap,” which was adopted in 2017. Three strategic thrusts listed in the BEV 2025, namely Connectivity, Environment, and Tourism, were selected as the priorities of BKCF funded projects during the meeting between BIMP-EAGA and the ROK in July 2021.

The Fund will provide grants for individual member country or subregional programs and projects to address strategic country needs and priorities of BIMP-EAGA.

The Global Green Growth Institute (GGGI) has been designated as a depositary of the BKCF and will manage the BKCF.

2. The BKCF’s priority sectors and areas

Among the list of sectors from the Vision 2025, prioritization was given to the following sectors through consultations between BIMP-EAGA and the ROK. The sectors may be updated at a later point, if required, through an agreement between BIMP-EAGA and the ROK:

- **Environment**: It will include projects with high potential for environmental and climate mitigation and adaptation impacts that promote inclusive green growth in areas including but not limited to: water management, waste management and sanitation, renewable energy, energy efficiency, green buildings, green finance, including green bonds, inclusive green entrepreneurship, nature-based solutions including REDD++ and climate smart agriculture and bioeconomy.

- **Tourism**: It will include projects relating to eco-friendly and sustainable tourism development as well as tourism-related planning and infrastructure, with particular support to tourist-dependent communities that have suffered due to the Covid-19 pandemic crisis.

- **Connectivity**: It will include - but not be limited to - low carbon transport, ICT, trade and investment facilitation, and the enhancement of the region's climate change knowledge economy.

- Other areas determined by BIMP-EAGA and the ROK.

All projects in all sectors identified in the cooperation between BIMP -EAGA and ROK must explicitly include targets and outcomes/outputs for gender and social inclusion where applicable and relevant. Projects that put forward a specific Covid-19 recovery approach will also be prioritized.
3. Eligibility of Proponent for Project Application

- Government agencies, public sector institutes, academic and research institutes, NGOs, private sector entities, or any other autonomous institutes from member countries of BIMP-EAGA and the ROK are eligible to submit funding requests.

- Individuals are not eligible to apply for the fund.

- GGGI can participate as a delivery partner to support the implementation of requested components of the approved project with an endorsement of the BIMP-EAGA country or countries where the proposed project will be implemented.

In order to be eligible for the grant, the proponent shall not:

- be included in the Consolidated United Nations Security Council Sanctions List and/or Debarred by Multilateral Development Banks; and

- have been declared ineligible by GGGI or ROK to participate in a call for proposal or included in an ineligibility list of GGGI or ROK.

4. Grant Award Period

The BKCF welcomes proposals for one year or two years. The second-year amount for awarded two-year projects will be approved based on the performance of the first year.

5. Grant Award Range

BKCF accepts proposals for a single grant for a minimum of USD 50,000 and a maximum of USD 300,000. The total amount for a two-year grant proposal will be between USD 100,000 and USD 300,000. In the case of multiple countries or BIMP EAGA regional projects, maximum of USD 200,000 per country could be allowed.

6. Application Process

In collaboration with BIMP-EAGA countries and the ROK, GGGI will maintain clear governance that guides the application process and selection of projects awarded with grants in a transparent manner. The following are the steps of the application process:

6.1. Submission of Proposal

The proponent shall submit the proposal and required documents to bkcf@gggi.org with the subject of [Submission] Project Title.

6.2. GGGI Review and shortlisting

The GGGI Review Committee comprised of the Assistant Director-General (ADG) of Investment and Policy Solutions Division (IPSD) of GGGI, IPSD Front Office and designated experts on a need basis will review and conduct a screening of proposals for shortlisting. The proposed shortlisted projects will be submitted for approval to a Steering Committee to be chaired by Director-General and to comprise the senior management team of GGGI. The GGGI review process shall take no longer than takes 30 calendar days.
Proponents can be requested to revise the proposal at this stage of the process. If the proponent does not submit the revised proposal within 10 calendar days after the receipt of the revision request, GGGI will consider that the proposal has been withdrawn.

During the period of communication with GGGI, the proponent can request an extension for an additional maximum of 10 calendar days. If the proposal is rejected or regarded to be withdrawn at this stage, the proponent will be notified by GGGI.

6.3. Review of BIMP-EAGA National Secretariat and the ROK

GGGI will prepare the project shortlist and a consolidated project proposal report including an overview of, among others, the project purpose, cooperation sector/area, expected outcomes and outputs, project budget estimate, and send them to BIMP-EAGA national secretariats and the Ministry of Foreign Affairs (MOFA) of the ROK to evaluate the shortlist. This process will take a maximum of 30 calendar days. If the proposal is rejected by BIMP-EAGA national secretariats and MOFA, the proponent will be notified by GGGI.

6.4. Approval of BIMP-EAGA and the ROK

When the proposed project shortlist is approved by BIMP-EAGA countries and the ROK during Senior Officer Meeting, MOFA of the ROK will send an official letter to GGGI with the list of approved projects. GGGI will accordingly issue an official approval letter to the selected proponents and arrange bilateral meetings with selected project implementing entities to brief on the project preparatory work and contract signing. The process is expected to be completed within 30 calendar days at the maximum.

6.5. Due Diligence

GGGI will conduct a due diligence review of the proponent to ascertain, prior to contracting, the proponent’s financial, operational, organizational capacity, integrity and safeguards as required by GGGI’s policies.

7. Ownership of BKCF Project Outputs

All the outputs and deliverables generated from BKCF programs/projects will belong to BIMP-EAGA and ROK. The use of project deliverables and generated outputs must be approved by BIMP-EAGA and ROK with advice from GGGI.

8. Project Inception

The proponent shall not start implementing the project until GGGI issues the official final approval. GGGI has the right to reject project funding for the initiative if the project implementation is not undertaken in accordance with the agreed outcomes of the project approval process.

When the contract between GGGI and the proponent is signed, the proponent must submit a Project Inception Report to GGGI. Please refer to the template for the Project Inception Report in APPENDIX 3 of project proposal template.

After the Project Inception Report is submitted to GGGI, GGGI will review the Project Inception Report and make comments, if any, within 7 calendar days for the revision of the Project Inception Report.
The proponent needs to submit the revised Project Inception Report and the first Invoice in accordance with the approved budget within 7 calendar days from the receipt of GGGI comments.

Upon the receipt and approval of the revised Project Inception Report and signed Invoice from the proponent, GGGI disburses the approved budget in accordance with the budget disbursement rate written in the contract. All disbursement to proponents will be made with prior written approval from ROK.

The maximum of the initial disbursement rate shall not exceed 50 percent of the approved budget for single and multi-year projects.

9. Project Implementation

Proponents must implement project activities in accordance with the Project Implementation Plan (APPENDIX 5).

The proponents must notify GGGI of their plan of project implementation at least 21 calendar days in advance. Any revisions of project activities need to be consulted with and approved by GGGI.

The proponents should have the tripartite mission for inception with concerned government authorities and target local government authorities (municipal, provincial or state level) as well as GGGI focal points. GGGI focal points could participate in the kick-off meeting in-person or virtually. The proponents should also have the tripartite mission for wrap-up with the same concerned authorities prior to the project completion.

10. Monitoring and Evaluation and Fund Disbursement Mechanism

10.1. Reporting to GGGI and BIMP-EAGA

Proponents must submit the following documents in accordance with GGGI’s guideline:

- Within 7 calendar days of project implementation of every activity mentioned in the “Project Results” chapter of the BKCF Project Proposal: a brief Project Inception Report with photos.

- Every 3 months after project launch: Updated Project Implementation Plan and Project Progress Report.

- For two-year projects, proponents submit an Annual Report to GGGI and BIMP-EAGA at the end of respective year. GGGI will provide a template to all project leads following the institute’s reporting framework.

10.2. Disclosure of Project Documents

GGGI may disclose the project information to the public upon receiving the agreement of proponents. The proponent shall provide their consent to disclose by filling out the template in APPENDIX 1 of the project proposal template, along with the proposal submission.
10.3. Subsequent Tranche(s) of Fund Disbursement

Following the initial fund disbursement, the proponents may apply for subsequent tranche(s) of disbursement, by submitting one copy of the relevant deliverable(s) set out under the Project Deliverables (APPENDIX 2 of the project proposal template) and Interim Financial Reports with supporting documents at each milestone to GGGI. For the Interim Financial Report, the proponent shall use GGGI’s Financial Report template. GGGI shall review the Financial Report and disburse the approved amount in accordance with the agreed disbursement schedule in the Project Deliverables with prior written approval from ROK.

11. PROJECT COMPLETION

11.1. Submission of Project Completion Report

At least 30 calendar days prior to the anticipated date of completion of the program/project activities, proponents must submit Draft Project Completion Report with the financial report to GGGI. After GGGI’s review, the proponents must submit a Revised Project Completion Report reflecting GGGI’s comments, if any.

If proponents have not submitted the Project Completion Report, payment of the last tranche of fund disbursement (not exceeding 25% of the approved budget) will be withheld, and funding for the next project, if any, will also be withheld until the pending Project Completion Report is submitted and approved. The final Project Completion Report shall be reviewed by GGGI. After a review of the Project Completion Report, GGGI will circulate a final report along with the Project Completion Report, financial report, and its evaluation to BIMP-EAGA national secretariats and MOFA for review.

11.2. Financial Report Verification

For the final Financial Report, GGGI Finance Team shall review the Financial Report and communicate the result with the GGGI Review Committee.

Any findings during the verification process should be followed up and settled (for instance, miscalculation of expenditures, deviation from the approved budget proposal, and others) by the GGGI Review Committee in consultation with GGGI’s Finance Team. If deviations from the approved budget are found during the verification process, the proponents shall refund any amounts paid to them in respect of claims which were not accounted for under the approved budget.

GGGI informs the proponent of the amount of final disbursement or unspent balance and/or interest earned from the project fund to be refunded to GGGI.

Once all the follow-up actions have been taken and settled, GGGI will inform the ROK accordingly.

11.3. Refund of Unspent Balance and Accrued Interest

The unspent balance of project budget and any accrued interest earned from the project fund shall be returned to the BKCF account within 60 calendar days after the completion of the projects.
12. Contact

If proponents have any queries or require support from GGGI, the proponents can send an email to following address for consultation: bkcf@gggi.org.