

Modality for the Establishment and Operationalization of ECO Fund For Reconstruction of Afghanistan¹

Pursuant to the decision of the 12th and 13th Council of Ministers (COM) meetings, held in 2002 in Istanbul and in 2003 in Bishkek respectively and the Plan of Action for ECO's efforts towards reconstruction of Afghanistan, the ECO Financial Experts Meeting held on April 21, 2004 in Kabul agreed on the modality for establishment and operationalization of ECO Fund as follows:

1. An account titled ECO Fund for reconstruction of Afghanistan will be opened in the name of ECO Secretariat in an agreed Bank. This Bank may be Habib Allied International Bank, London with which ECO Secretariat has an account for its budget.
2. The Secretariat will communicate the name of the account and its number to the member states.
3. The member states may contribute to the account on a voluntary basis.
4. Member states may contribute with their technical assistance, goods and services to the projects to be implemented through the fund. The Secretariat will work out the modality with the cooperation of the concerned member states to utilize the such contributions.

¹ Approved by the 14th COM, Dushanbe-Tajikistan

5. The Fund will be utilized for financing Afghanistan's priority projects and any other activity requested by Government of Afghanistan in connection with reconstruction of Afghanistan on case by case basis. The Afghanistan government through its Embassy in Tehran will send requests to the ECO Secretariat for its priority project to be financed from this Fund giving detailed information including justification for the implementation of the project, cost of the project etc. The request, after scrutiny by the ECO Secretariat, will be submitted to CPR for approval and authorization of the Secretary General to sign the Contract for implementation between the Secretariat, Afghanistan government and the implementing agencies. The Afghan government in consultation with the ECO Secretariat will select the implementing agencies with international bidding. The Secretariat will submit the selection to CPR for approval.
6. The Secretariat will make payment out of the Fund to the implementing agency in accordance with the contract to be signed between ECO Secretariat, Afghan government and implementing agencies upon receiving bills from the agencies confirmed by Afghan government.
7. At the end of the implementation of the project, satisfactory completion and formal termination of the projects should be done together by the Secretariat and Afghan government.
8. The Afghanistan government will furnish progress report on the implementation of the projects to the Secretariat for circulation among the member states on regular basis.
9. The Secretariat will submit a final report to CPR on the implementation of each project.
10. The ECO Audit Board shall be authorized to audit the account of the fund annually. Therefore, the Board may carry out this function while auditing the annual budget of the Secretariat.

11. The termination of the utilization of the Fund should be decided by the COM. Upon the termination of any remains in the Fund should be transferred to ECO Feasibility Fund.

12. The Fund shall also be utilized for implementation of joint projects with donor countries/international organizations. In this case the procedures mentioned in the aforesaid paras 4, 5, 6 & 7 shall be followed. The Secretariat will make the necessary efforts to attract the contribution of the donor countries and international organizations for implementing joint projects.

13. This modality will be submitted to CPR as per the decision of the 13th meeting of Council of Ministers (COM).

