



TERMS OF REFERENCE (TOR) FOR HIRING A PROJECT SPECIALIST

**STUDY ON PREPARATION OF THE ROAD MAP TO INSTITUTIONALIZE A
COMPREHENSIVE JOINT ACTION PLAN AMONG THE SOVEREIGN WEALTH AND
NATIONAL DEVELOPMENT FUNDS (SW/NDFS) OF THE ECO MEMBER STATES**

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Glossary

ECO: Economic Cooperation Organization	JIS: Joint Investment Schemes
COM: Council of Ministers Meeting	WB: World Bank
RPC: Regional Planning Council	AIIB: Asian Infrastructure and Investment Bank
CPR: Council of Permanent Representatives	IFC: International Finance Corporation
ECO-CCIs: ECO Chambers of Commerce & Industry	ADB: Asian Development Bank
ECO-TPOs: ECO Trade Promotion Organizations	ETDB: ECO Trade Development Bank
ECO-IPOs: ECO Investment Promotion Organizations	EU: European Union
ECO TP/SEZs: ECO Trade Promotion and Special Economic Zones	UNIDO: United Nations Industrial Organization
SW/NDFs: Sovereign Wealth/ National	AFC: Astana Financial Center
IPRs : Intellectual Property Rights	SPP: Small Sized Project
ECO-IPAs: ECO Investment Promotion Agencies.	WTO: World Trade Organization
RVCs: Regional Value Chains	SPV: Special Purpose Vehicle
GVCs: Global Value Chains	ECO-SW/NDFs: ECO Sovereign Welfare and National Development Funds

Background

As envisaged in the Izmir Treaty and provided in the ECO Vision 2025, the expansion of intra-regional trade and attraction of investment are the ECO's primary and strategic goals for sustainable socio-economic development in the region. Cooperation amongst the 'Capital Markets' of the region is one of the primary areas which is inevitable for achieving the desired growth in trade and investment. Low FDI is holding back ECO region's trade potential in various sectors like industry, transport, agriculture, health and tourism. One way to address the shortcut of FDI in our region is creating cooperative environment among our NDFs and SWFs. Greater regional cooperation is being looked at, as the ultimate solution for a V shape recovery for Pandemic hit economies. Policies aimed at attracting FDI, particularly from our region in the form of joint investment, have a central place for the regionalism as in case of ECO regional economies. The Council of Ministers during its 22nd Meeting in 2017 at Islamabad, agreed to a target-oriented plan under 'ECO Vision 2025'. The need for a financial structure was also deliberated and 'ECO Vision Fund' was created open for voluntary contributions from various sources. The mandate of the Vision Fund was to assist implementation of regional priority projects in trade, energy, tourism, transit-transport, agriculture and industry. The 1st Meeting of the Heads of SW/NDF was held to assess how SW/NDFs may employ the potentials of ECO Vision Fund for their regional goals. By leveraging SW/ NDFs, Member States could invest capitals into their neighbors and establish common fund with contributions from SWFs/NDFs for the mutual benefit of the region. The NDFs network aimed to augment by cooperation among the SEZs or other relevant authorities of the ECO region for fostering technical cooperation and information sharing to create Regional Value Chains and connect with Global Value Chains (GVCs).

The 1st Meeting of the Heads of National Development Funds of the ECO Member States was virtually hosted by the Islamic Republic of Iran on December 16, 2022. The meeting requested the Secretariat to prepare a draft Road Map by designing a Small Size Project and recruiting a Specialist and distributing the result to Member States for their consideration and approval on the next meeting of ECO Heads of SWFs/NDFs.

Currently, seven of the ten ECO Member States have their respective Sovereign Wealth Funds/National Development Funds (SWFs or NDFs). These Funds are increasingly acquiring their merited physical weight in terms of capital accumulation, region-wide. Thus, the estimated capital formation of the seven individual member countries' SWFs, in aggregate, stands at current US\$200 billion.

While initially designed for mobilizing liquid funds for the purposes of stabilization of economies during unforeseen economic downturns (particularly for social strata), the SW/NDFs are looking out for investment opportunities outside sovereign territories of countries. To that effect, the ECO region may offer ample opportunities to SW/NDFs of reasonable benefits for ECO societal community via regional projects.

As with the above prerequisites, the subject project is set forth to develop a Roadmap as groundwork for formulating a Comprehensive Plan of SW/NDFs of ECO Member States.

Aims and objectives

The aim of the project is to develop the financial architecture of the ECO region to ultimately respond to the investment needs of regional countries for increasing ECO intra-trade. To attain this aim, the project will fulfill the following objectives:

Obtaining the financing by ECO countries' SW/NDFs and by other interested public and private investment agencies of mega projects in the ECO region through a diverse range of financial instruments. An example of mega projects will be: financing the missing links in ECO's transit transport corridors/routes using ECO's regional connectivities with the Eurasian mainland, Persian Gulf, Oman Sea, Indian Ocean and Caspian Sea. In this, the service infrastructures, including in Health Care and Agriculture & Industry will be given due attention along with ECO's core activity areas envisaged in the *Antalya Communiqué*.

As a tool of obtaining the much required investment financing, a special purpose vehicle (SPV) like the "Mutual Fund of SW/NDFs of ECO" that is **J.I.S.**¹ will be established for the purposes of the subject project. The project, for which the small sized study will be carried out as a pre-feasibility justification, will then directly focus on J.I.S.

The United Nations Sustainable Development Goals (SDGs) will also be addressed, including SDG-1 (No Poverty); SDG-7 (Affordable and Clean Energy); SDG-8 (Decent Work and Economic Growth); SDG-9 (Industry, Innovation and Infrastructure); SDG-10 (Reducing Inequalities) and SDG-11 (Sustainable Cities and Communities).

History in ECO

In ECO's past history, a single incidence of creation of a joint financial architecture, which could have been designed for the needs of the ECO region had not been observed so far.

From the point of view of the comprehensive policy support for fund investment in ECO, the ***Antalya Communiqué*** adopted by the Council of Ministers (COM), at its 24th Meeting, held in Turkey on 9 November 2019 encouraged "the Member States, relevant international organizations, financial institutions, national development funds and other stakeholders to actively support the inclusive, multi-dimensional connectivity projects and associated infrastructure in energy, transport, communications and industry that could potentially transform into economic corridors in the long-term perspective" (paragraph-24, *Antalya Communiqué*).

Previously, the ***Dushanbe Communiqué*** adopted by the 23rd COM, in Tajikistan, recalled the "commitment of ECO for implementation of the ECO Trade Agreement (ECOTA) and continue efforts to establish Regional Free Trade Area as envisaged in ECO Vision 2025, taking into account commitments of some ECO Member States in other international and regional organizations, as well as their financial capabilities" and "requested Contracting Parties to explore necessary mechanisms and solutions for early implementation of the ECOTA" (paragraph-25, *Dushanbe Communiqué*).

Earlier, in February 2017, ECO had adopted its long-term strategy for the period of up to 2025 i.e. ***ECO Vision 2025***. In it, the Member States highlighted the need for trade expansion in which process "expanding the trade volumes require trade liberalization, harmonization of policies, reducing the cost of doing business, financial infrastructure,

¹ J.I.S. – Joint Investment Scheme stands in the concept proposal for "Mutual Fund of SWFs of ECO".

and institutional capacity building” (*ECO Vision 2025*, Section II-Policy Environment, p. 7).

Project Concept

The conceptual backbone of project has been formed out of the following key pillars:

- Attracting multiple-type investment flows, including via traditional foreign direct investments (FDIs) and market-oriented innovative financial instruments.
- Exploring ways to mobilize the available in Member Countries funding sources, notably, the Social Welfare Funds by using the platform of the ECO SW/NDFs to be facilitated by Joint Venturing (JV) between with the investors and investees; Joint Ventures to be the effective handy tool of public-and-private forms of investing in the ECO region.
- Rendering ECO-based support to the project through complementary involvement of the ECO Trade Promotion Agencies (ECO-TPOs) and ECO Investment Agencies (ECO-IPAs) and ECO Chambers of Commerce and Industry (ECO-CCIs) through deriving (for the purposes of this project) their essential results achieved so far in the subject field.
- Employing gains/losses analyses of stakeholder-identified selected areas in the ECO region for potentially mass investments; the analyses results to be then embedded in the **Comprehensive Plan of ECO SW/NDFs** with the most feasible investment areas determined and adequate measures commensurate to future influx of investments evidence-proven as the result of the study.

As with the aim to establish the ECO financial architecture, the accurate scheming of financial investment operations and thus of inward capital flows through Special Purpose Vehicle (SPV) by using (for this purpose) the Joint Investment Scheme (JIS) as a proxy, will have to be implemented in the framework of mainstream project.

It is to be borne in mind that the key highlight as conceptualized by the Heads of ECO countries’ SW/NDFs is the development of *ECO Roadmap*. That is for laying down *Comprehensive Plan of ECO-SW/NDFs*. The above-described JIS will be designed by study for feasible fulfillment of the functions such as those of the SPV. The model of the SPV will be ECO– specific –tailored. It will be based on the model of existing SPVs in the seven ECO countries that currently have their operational SW/NDFs. In that context, the SPV-stymied JIS will assume the risks associated with regional investment and carry out adequate capital alignment to enhance the investment impact onto the ECO regional level. It is to be noted that the JIS will have a built-in transaction cost reduction mechanism as is the case in the current practice in the seven ECO countries.

By procedure, the study (the official title of project) represents a small-sized project, which has to be completed within the period of the three (3) months. It may be admitted as a pre-feasibility study from the point of view that the subsequent ‘mainstream’ project of which the feasibility will be justified through this study; may be implemented according to the following work program:

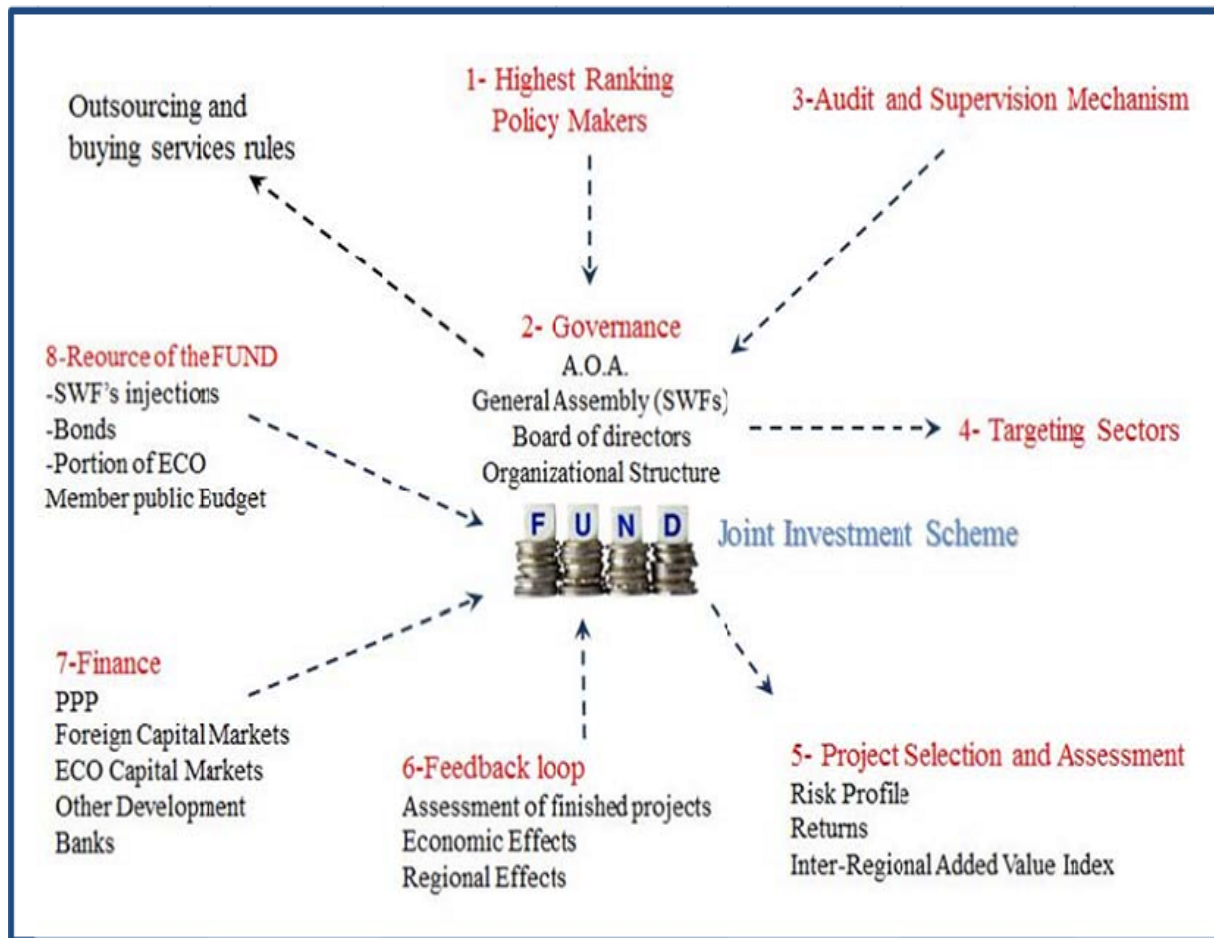


Figure 1: Work Program of feasible Project

Informative report

Since the time of origination of the project proposal, the following follow ups have been made, till present, to implement the decisions of the Heads of ECO-SW/NDFs.

Project Rationale and Motivation

General observation

Economic justification

There are several factors necessitating the need for implementing the project.

Firstly, the ECO countries' sound financial posit, in terms of their international reserves (in gross), makes it possible for countries to reach out to outward investment opportunities. Thus, deriving from data of the Asian Development Bank (ADB), the international reserves of ECO countries during 2019 register US\$ 204.6 billion, in total (Table-1). Health of financial assets of ECO regional countries enables them to step forward from domestic investments toward much wider external level of regional investments in ECO.

Table 1: ECO countries' international reserves in 2019

ECO Member State	Gross International Reserves of ECO countries (Million US\$) 2019
Afghanistan	8251.00
Azerbaijan	5335.00
Iran	8800.00
Kazakhstan	30927.00
Kyrgyzstan	2200.00
Pakistan	9789.00
Tajikistan	1284.00
Turkey	78532.12
Turkmenistan	32400.00
Uzbekistan	27100.00

Source: IMF

Secondly, international liquidity of ECO countries (without account of gold, US dollars) registered US\$61.2 billion, in total (Table-2) according the International Monetary Fund (IMF). That points out at the flexibility with which ECO countries are able to utilize diverse options of investing the available capital elsewhere.

Table 2: International Liquidity in ECO countries in 2019

ECO Member State	International Liquidity, Reserves, exc. Gold, USD (million US\$) 2019
Afghanistan	7,426.98
Azerbaijan	7,042.90
Iran	8,144.08
Kazakhstan	10,082.16
Kyrgyzstan	1,723.56
Pakistan	13,421.20
Tajikistan	519.59
Turkey	17.79
Turkmenistan	39.94
Uzbekistan	12,842.93

Source: IMF

Thirdly, foreign direct investments (FDI) in ECO countries are sufficient enough thereby indicating at a good mix of foreign participation in the countries' capital structure. Thus, based on UNCTAD's World Investment Report-2020, inward FDI flows in ECO countries reached their peak at US\$76.5 billion in 2017 where capital inflows grew at 50.8% whereas on the opposite side, much weightier outflows were seen in 2014 at US\$14.1 billion versus to just US\$505 million in 2018. For more details please see Table 3 below. Thus, the ECO countries' performance on FDI indicates at the need to have a regional financial architecture in place in order to streamline investment inward/outward flows for the health of financial systems of each of individual countries of the region.

Table 3: FDI Flows (million US\$) 2014-2019

ECO Member State	Inward						Outward					
	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
Period	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
Afghanistan	44	163	94	53	119	39	-	1	15	11	41	26
Azerbaijan	4430	4048	4500	2867	1403	1504	3530	3260	2574	2564	1761	2432
Iran	2105	2050	3372	51019	2373	1508	3	120	104	76	75	85
Kazakhstan	8489	4057	8511	4669	3757	3118	3815	795	-5235	913	-1101	-2592
Kyrgyzstan	348	1142	579	222	139	209	-	-1	-	-29	-5	3
Pakistan	1887	1973	2576	2496	1737	2218	122	25	52	52	-21	-7
Tajikistan	451	572	345	307	360	213	-	-	35	159	822	23
Turkey	12969	18976	13745	11020	12981	8434	6682	4809	2954	2662	3607	2841
Turkmenistan	3830	3043	2243	2086	1985	2166	-	-	-	-	-	-
Uzbekistan	809	1041	1663	1798	625	2286	4	5	6	9	2	3

Source: UNCTAD

Fourthly, the percent of net investment in nonfinancial assets in ECO countries is low at average 5 percent of the combined regional GDP (at current prices). This factor speaks in favor of investments in financial assets, which promises to become one of lucrative areas in terms of investment diversity.

Table 4: Net investment in nonfinancial assets (% of GDP)

ECO Country	2008	2009	2010	2011	2012	2013	2014	2015	2016
Afghanistan	39.6	29.0	31.4	35.0	25.2	22.8	15.1	18.5	0
Azerbaijan	11.2	10.2	10.5	14.2	13.1	14.6	13.2	12.1	0
Iran	5.9	5.3	0	0	0	0	0	0	0
Kazakhstan			1.4	1.3	1.3	1.4	1.2	1.0	1.2
Kyrgyzstan	0	0	0	0	0	4.5	6.0	6.2	6.9
Pakistan	2.5	2.1	2.2	1.2	0	0	0	0	0
Tajikistan	0	0	0	0	0	0	0	0	0
Turkmenistan	0	0	0	0	0	0	0	0	0
Turkey	1.9	1.9	1.9	1.8	2.0	1.5	1.6	2.2	4.4
Uzbekistan	0	0	0	1.6	2.1	2.3	2.2	2.1	2.0

Source: IMF

At the back of above-described factors that favor the progressive activation of regional investment via multiply-diversified financial instruments, the justification of the 'mainstream' project, notably, the establishment of the J.I.S. seems to have solid economic reasons. Else, the study may look closer into a whole range of other factors, which may then sufficiently persuade potential partners/co-financiers of 'mainstream' project (J.I.S) to contribute to the realization of the 'mainstream' project for the purposes of investing capital in the ECO region.

Social Justification

As mentioned in earlier sections of the present document, the prime focus of SWFs of ECO countries falls on the social strata. In this regard, measuring of growth rates of

household expenditures among the bottom 40% of population has been growing at modest rates in ECO countries. Thus, according to ADB, this indicator, among ECO countries, was positive in Pakistan, Tajikistan and Kyrgyz Republic, only. This factor speaks of the need to raise income of a particular social strata of regional population, that is, bottom 40% of the poor. If addressed, such measure will facilitate mitigating of poverty levels in ECO thereby countering SDG-1, No Poverty.

Table 5: Social indicators of the poor population of the ECO regional total

ECO country	Growth Rates of Household Expenditure or Income per Capita among the Bottom 40% of the Population		Growth Rates of Household Expenditure or Income per Capita	
	(%)		(%)	
Afghanistan	
Azerbaijan	-0.6	(2015-2019)	-0.6	(2015-2019)
Iran	-0.5	(2014-2019)	-0.5	(2014-2019)
Kazakhstan	-0.0	(2012-2017)	-0.6	(2012-2017)
Kyrgyzstan	0.9	(2012-2017)	0.8	(2012-2017)
Pakistan	2.7	(2010-2015)	4.2	(2010-2015)
Tajikistan	2.3	(2009-2015)	3.6	(2009-2015)
Turkey	-6.2	(2016-2020)	-6.2	(2016-2020)
Turkmenistan	-4.0	(2016-2019)	-4.0	(2016-2019)
Uzbekistan	-9.2	(2015-2019)	-9.2	(2015-2019)

Source: ADB

Regional integration-driven rationale

The scope and span of the SWFs will under the project serve the purposes of regional integration within ECO. The integration-driven impact of the project will culminate in the establishment of the J.I.S. Thus, the J.I.S. will forge strong linkages with the ECO-CCIs and ECO-TPOs that are primarily oriented on the increase of trade flows in the ECO region. Along the similar integration pattern, the project will reach out to ECO-IPAs for the same purpose of increasing the flows of ECO Trade. Motivated by the integration-driven rationale, the project will also set up working linkages with existing Special Economic Zones (SEZs) in ECO countries. In this regard, the project may concurrently share the data and information on Trade-related matters (especially market assessments/studies on current trade flows and forecasts) through the newly initiated project "Study on Preparation of the Road Map to Institutionalize a Comprehensive Joint Action Plan among the Sovereign Wealth and National Development Funds (SW/NDFS) of the ECO Member States."

In the light of the above-described, integration-driven linkages of the project may be seen, as follows:

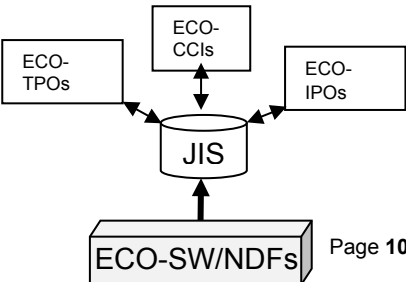


Figure 2: Integration-driven interaction in the framework of the study

The place and role of the progressive J.I.S. in the institutional set up of trade-focused structures of ECO has been conceived in the Concept Proposal as follows:

Establishment of the J.I.S. will be at value of US\$ 500 million (as estimated by the Concept Proposal). The J.I.S. will be established on the basis of the following inputs:

- SW/NDF's injections.
- Bond issue or units in developing markets.
- Allocations from public budgets of the Member States.
- Direct investment by financial institutes.

The establishment of the J.I.S. may take up to 1.2 -2 years. The J.I.S. will be supported in its functioning by project stakeholders who will be:

- Ministries of Economy/ Trade/ Foreign Economic Relations/ Investment and Foreign Trade of the ECO Member States.
- Ministries of Finance/ Central Banks etc.
- Sovereign Wealth/National Development Funds (SW/NDFs), Social Welfare Funds (SWFs), Public Investment Companies/ Development Agencies in each ECO Member State.
- Private Sectors in each ECO Member State (ECO CCI/ National Chambers etc).
- Development Banks.
- Financial Institutions.
- Special Zones Organizations.

The functioning of the J.I.S. has been conceptualized in Project Proposal, as follows:

The Function of SW/NDFs ECO FUND (Joint Investment Scheme "JIS")

- Investment will focus on mega size projects in need for capital where long-term investment high returns can be generated:
- Through established Fund, pro-active cooperation with other investors in the region and a strong relationship between the investee and the J.I.S will be sought.
- Loans, co-finance, direct investment or any other financial participation in J.I.S" would be granted to member states that are carrying out the inter-state investment projects which stimulate integration among member states for example, in energy and infrastructure and also large national investment projects.
- Acceptable level of risk & return is mandatory condition for investment financing by the J.I.S in reasonable regional projects.

J.I.S also outlines the scale of the deal making challenge and highlights the need to attract large investments to produce inclusive & sustainable economic transformation. Actually J.I.S does matchmaking to contribute in projects by:

- Enhancing impact.
- Necessary capital alignment.
- Reducing perceived investment risks.

Number of projects will be implemented with the participation of international financial institute, such as co-financing, with the Asian Infrastructure Investment Bank or Asian Development Bank.

Based on the above- excerpted concept project proposal on the J.I.S., which will serve as a tool of establishing the future financial architecture of the ECO region, the present document is for the small sized prefeasibility study project, which will culminate in the preparation of a comprehensive project document, which will further be submitted for consideration of mainstream project proposal by co-financiers/c-partners/sponsors for their decision to invest in the establishment of the J.I.S.

Terms of Reference for Specialist to provide Consultancy Service for Study

Table 6: Brief project profile

1. Basic data		Project Code: TI/Investment/SSP4/2021	
Project title	<i>“Study² on Preparation of the Road Map to Institutionalize a Comprehensive Joint Action Plan among the Sovereign Wealth and National Development Funds (SW/NDFS) of the ECO Member States.”</i>	Directorate	Trade and Investment
Short title	J.I.S.		TI//SSP4-2021
Project Activity	(a) Development of Roadmap. (b) Drafting Comprehensive Plan. (c) Prefeasibility study of J.I.S.	Executing Agency	ECO Secretariat
Modality	“Functional Methodology of ECO”		
Focus Countries	ECO Member States	Project Participants	ECO Member States
2. Sector	Subsector	Investment	
Trade	Investment	General Reserve Fund (GRF)	
3. Operational Targets: Development of Roadmap. Drafting Comprehensive Plan of SW/NDFS on investment in the ECO region. Prefeasibility study of JIS.			
4. Risk	Low	ECO does not have project risk-related	

² “Study” is the official title of the subject prefeasibility study. It has been categorized as a small-sized project (SPP). By procedure, it follows the norms of Project Processing and Implementation under the “ECO Guidelines for Small Sized Projects.”

Categorization		policy.
5. Safeguard Policies	ECO Contingency Policy in the form of selected provisions does not apply.	
6. Financing Sources		
ECO Secretariat		(1) GRF to support Consultancy Service for (US\$10,000) (Ten Thousand US Dollars)
Project Coordinator		ECO Secretariat
Project participating countries		All Member States
Co-financing (amount)		Nil
Counterparts		Nil
Co-partner financing		Nil
Total:		Consultancy Service (US\$10,000) (Ten Thousand US Dollars)

The Consultancy Service will deliver its outputs according to the following structure:

Phase-I: Development of Roadmap to Institutionalize a Comprehensive Joint Action Plan among the Sovereign Wealth and National Development Funds (SW/NDFS) of the ECO Member States.

Phase-II: Consolidation of prefeasibility study findings into a bankable project document for submission of latter to project co-financiers/co-partners.

Impact and Outcome

Consultancy Service will aim at the establishment of the ECO financial architecture through the J.I.S. Consultancy Service to deliver on the following **Outcomes**:

Outcome (1) Analysis of existing financial infrastructure in the ECO region with identification of gaps, details of projections of benefits (like reduction in apparent/hidden cost of doing business, trade/project financing etc) of an updated financial infrastructure with details on proposed Roadmap.

Outcome (2) Details of Joint Investment Scheme (JIS) with regularity framework, harmonization of policies, policy incentives, IPRs, non discrimination, dispute arbitration and the projections on realizing the targets set in the *ECO Vision 2025*-estimated increase in ECO Intra-Trade.

Outputs and activities

Consultancy Service (in its policy development for study project), will adhere to the ECO's approaches toward a realization of the Organization's goals in one of the ECO's core area, notably, Trade & Investment by laying down the groundwork for ECO's financial architecture. In practical terms, the Roadmap and the Comprehensive Plan of ECO-SW/NDFS on investment will be prepared. The justification for establishing of the J.I.S. will be investigated.

In determining the partners for mainstream project, alongwith ECO's traditional partnership with the UNIDO and WTO, the project will see into involving International

Financial and Development Institutions, including IsDB, AIIF, ADB, World Bank, ETDB, etc. It will also draw in, support from broader financial market-oriented institutions.

The list of expected outputs to deliver by Consultancy Service has been reflected in Table 7.

Table 7: Outputs expected from Consultancy Service

*Table of Contents	Outputs	Description
	Phase-I. Output 1.	Preparation of the Road Map to Institutionalize a Comprehensive Joint Action Plan among the Sovereign Wealth and National Development Funds (SW/NDFs) of the ECO Member States.
1.	Output 1.1.	Development/dissemination/collection of questionnaires.
2.	Output 1.2.	Analyses of country-level financial set ups of the ten Member States to determine capabilities of each in investing in the ECO region.
3.	Output 1.3.	Analyses of the ECO Member States' SW/NDFs and Investment Promotion Entities to determine their outward investment propensities.
4.	Output 1.4.	Analyses of the SPVs in each of the ECO SW/NDFs to determine inter-operability between those and the future J.I.S. (as per work program of J.I.S. project)
	Output 2.	Preparation of the Comprehensive Plan of ECO-SW/NDFs on Investment.
5.	Option 2.1.	Analyses of the ECO regional investment climate and existing financial infrastructure and joint collaboration.
6.	Option 2.2.	Projected Gain/loss analyses of the ten ECO Member States in institutionalization/networking of the SW/NDFs for investment in J.I.S in mega regional projects on the basis of bankability.
7.	Option 2.3.	Matching the large-scale regional mega projects requiring capital investments in the ECO region with the results of the gains/losses analysis on investment.
8.	Output 3.	Fulfillment of the prefeasibility study on the JIS.
9.	Phase II. Output 4.	Preparation of the bankable project document.

**Column 1 in the contents of Table 1 indicates the number of activities/assignments.*

Consultancy Service will be paid US\$10,000 (US\$ Ten Thousand Only) in the form of installments in line with ECO Consultancy payment practices.

Implementation Arrangements, Methodology, Approaches

The Director of Trade & Investment, ECO Secretariat (T&I) will coordinate the Consultancy Service. The Specialist will regularly interact with Director (T & I). The National Focal Points of ECO Member States assigned by their respective executing authorities in the area of Trade and Investment (of which Investment is essential part),

may interact (upon clearance by Director T&I) with the Specialist on matters relating to establishment of the ECO financial architecture. The Specialist will set online interactive linkages with the ECO-CCI, ECO-TPOs, ECO-IPOs and SEZs in Member States using, among others, social media platforms (WhatsAPP) as convenient for contacts in the framework of the present ToRs and deactivate these within the three (3) months after the present ToRs have been fulfilled.

Project methodology and approaches of study will take further on from the following principles:

- Mutually beneficial matchmaking between ECO countries' SW/NDFs (investors) and investment recipients in the J.I.S. designated activity areas.
- Market creation for matchmaking providers.
- Building stronger linkages between the public and private sectors at both ends: investors and investees.

Monitoring Framework & Performance Indicators of Consultancy Service

The **Activities** of Consultancy Service will be **9** (see Table-7) to be fulfilled in 2 phases as specified in Table 7 of the present ToR. After completion of the study, Consultancy Service will present **4 key milestone outputs**. In the course of implementation of Consultancy Service, ECO Secretariat will monitor progress of implementation of Consultancy Service based on **Output 1-4**.

Table 8: Performance Indicators and Monitoring Framework

Outputs	Performance Indicators	Data sources* and reporting
Output 1. Preparation of the Roadmap to Institutionalize a Comprehensive Joint Action Plan.	<ul style="list-style-type: none"> • Preparing and collecting results from questionnaire. • Analyzing the country-level financials of the ten Member States to determine capabilities of each in investing in the ECO region. • Analyzing the ECO Member States' SW/NDFs to determine their outward investment propensities. • Analyzing the SPVs in each of the seven SW/NDFs to determine inter-operability between those and the future J.I.S. 	Questionnaires processed (10). Financials' Analysis of ECO Member States. Analysis of ECO Member States' SW/NDFs. Analysis of SPV of the ECO Member States' SW/NDFs'.
Output 2. Preparation of the Comprehensive Plan of	<ul style="list-style-type: none"> • Analyzing ECO regional investment climate. • Fulfilling gains/losses 	Analytical Report (1). Analysis (1).

ECO-SW/NDFs on Investment.	analysis of the ten Member States on investment. <ul style="list-style-type: none"> • Matching large-scale regional mega projects requiring capital investments in the ECO region with the results of the gains/losses analysis on investment. 	Matrix Table (1).
Output 3. Fulfillment of pre-feasibility study on JIS.	Prefeasibility study	Final Prefeasibility Study Report (1).
Output 4. Preparation of the bankable project document.	<ul style="list-style-type: none"> • Consolidating prefeasibility study findings in the project document. • Presenting the bankable project document. • Validation. 	Bankable project document (1).

**Reporting items could be in the form of an on-paper document supported by a soft file.*

Individual work schedule:

The Specialist is expected to commence the specified assignments under the present TORs, immediately after signing of contract, for the duration of the three (3) months. Payments are to be effected once successful completion is obtained and upon review/quality assurance of Consultancy Service's outputs and deliverables as specified in the TORs. Deliverables must be submitted by Specialist to DSG (AIT) and certified by the latter and the Project Management Section of the ECO Secretariat as being of adequate quality and satisfying specified terms under the ToR before payments will be made to the Specialist.

Payment Schedule:

Invoices for payments may be submitted as and when completed but indicative delivery dates are advised as below. Completion of all deliverables is expected to last three months. The below payment schedule (Table-9) and the workload breakdown follows the ECO practices as customized for similar studies that were fulfilled by Consultancy Services of the ECO Secretariat.

Table 9: Payment schedule for Specialist

No	Payments of consultancy fees	Targeted (Indicative) Deliverables Date	Outputs and Deliverables
1.	10% of total contract value	At commencement of Contract	Inception Report.
2.	20% of total contract value	After two weeks	Outputs and reporting items as per Table 7 and 8:

			Output 1, Output 2.
3.	20% of total contract value	After eight weeks	Output 3, Output 4.
4.	10% of total contract value	After 9 weeks	Evaluation of all the Outputs and recommendations of the Director T&I.
5.	40% of total contract value	After 10 weeks	Validation, Adjustments.

Supervision arrangements:

Specialist, in fulfilling specifications of the present Terms of Reference, will be coordinated by Director (T&I), ECO Secretariat.

Signatures

The present document is done on**May 2022** and signed by:

On the part of the Specialist:	On the part of the Economic Cooperation Organization: Ambassador Khusrav Noziri Secretary General, Economic Cooperation Organization
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