



Title: ECO Regional Payment System  
Feasibility Study

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## 2 Glossary

ACU	Asian Clearing Union
AMU	Asian Monetary Unit
ASEAN	Association of Southeast Asian Nations
CCH	COMESA Clearing House
CIPS	Cross-border Interbank Payment System
COMESA	Common Market for Eastern and Southern Africa
DNS	Designated-time Net Settlement
ECO	Economic Cooperation Organization
ECU	ECO Clearing Union
ERPS	ECO Regional Payment System
ESCAP	Economic and Social Commission for Asia and the Pacific
ETDB	ECO Trade and Development Bank
GRF	General Reserve Fund
ICU	International Clearing Union
IMF	International Monetary Fund
LVPS	Large-Value Payment System
RCD	Regional Cooperation for Development
REPSS	Regional Payment and Settlement System (for the COMESA)
RPS	Retail Payment System
RTGS	Real Time Gross Settlement
SAARC	South Asian Association for Regional Cooperation
SEPA	Single Euro Payment Area
SPI	SAARC Payments Initiative
ToR	Terms of Reference
WAC	Worldwide Acceptable Currencies (mainly USD and EUR)

### 3 Summary

The member states of ECO have reached an agreement on 2014 to setup the ECU and there has been an announcement for a project to go one step further on 2018. During several tries, the ECO secretariat tried to bring the plan of ECU to reality, but until start of 2020 there seems that no considerable progress is achieved.

ECU is a part of ERPS, which by the consultancy team is offered as a substitute for ECU for a more valuable and reliable financial and banking solution to improve trade between member states by removing financial barriers.

This proposal is prepared by the consultant according to the order of the ECO secretariat to study the feasibility of ERPS and the member states and the whole region benefit from implementation of ERPS. The outcome of the project is expected to be a deep knowledge for the ECO secretariat and the member states on how the current payment arrangement of the region is and how did similar regions try to improve trade by payment systems, together with a working knowledge for the ECO members on their countries benefits by implementing a regional payment system (economic/financial feasibility).

Consultancy team is planned to prepare this study in 3 deliverable documents as follows:

- Deliverable No. 1: Regional Payment Systems Benchmarking
- Deliverable No. 2: ECO Trade Figures & Payment Arrangement
- Deliverable No. 3: Economic and Financial Feasibility of ERPS.

The consultancy project is expected to be carried in 12 weeks with the total cost of EUR 3,000.00.

## 4 Aim and Objectives

The same effect which dollarization has on countries could be expected with less severity from use of WAC in form of hard currencies in regional trades. Economists and politicians are trying their bests to keep their countries away from risk of dollarization, and as well international organizations are trying to keep regions away from risks and negative effects of using WAC in their intra-region trade. This is why there are plenty of clearing houses/unions and different payment systems across the globe.

Regarding the constructive role of international payment systems in improving international trade beside the main mission of the ECO region, which is improving trade between member states, there is basically expected an improvement in the payment mechanism in the region to improve the trade figures of the region.

Interbank Funds Transfer Systems are classified into two types, designated-time settlement systems and real-time settlement systems, depending on whether they settle at pre-specified point in time or continually. From a different point of view, settlements could be classified into Gross and Net. Gross settlement of transactions is on a transaction-by-transaction basis, while Net settlements based on aggregate credit and aggregate debit position of each bank.

Combining these two types of classification, leads to the table below, which summarizes the main possibilities:

Table 1- different payment systems based on settlement criteria

Settlement characteristics	Gross	Net
Designated-time	Designated-time Gross Settlement	Designated-time Net Settlement (DNS)
Real-time	Real-Time Gross Settlement (RTGS)	(not applicable)

According to the content mentioned above, there are solutions developed in regional payment systems, by which economies and banks could benefit from Bilateral and Multilateral DNS systems.

### 4.1 Bilateral DNS systems

Clearing Houses and clearing mechanism play an important role in international banking payments. If two countries decide to setup a DNS payment system between themselves, they could net a large number and amount of transactions during the clearing period to only one settlement transaction, which is smaller than summation of transactions. Figure 1 illustrates a sample batch of transactions between two countries, which are aggregated in Figure 2.

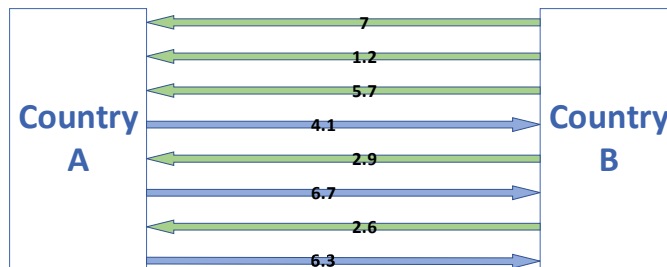


Figure 1- Sample transaction between two countries in a period

If these two countries execute a write-off of 17.1 units of transactions, there is only needed 2.3 units to be settled after processing 36.5 units of transactions between two countries during the period. If this scenario is executed between couples of countries in a group, we call this settlement mechanism Bilateral DNS.

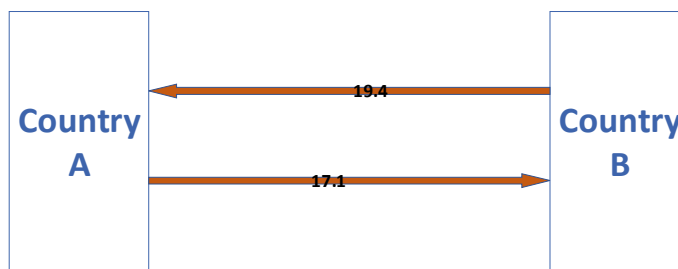


Figure 2- Aggregated transactions ready for clearing

In order to better define the bilateral DNS, there is a sample scenario of aggregated transactions between 5 countries during a period in Figure 3.

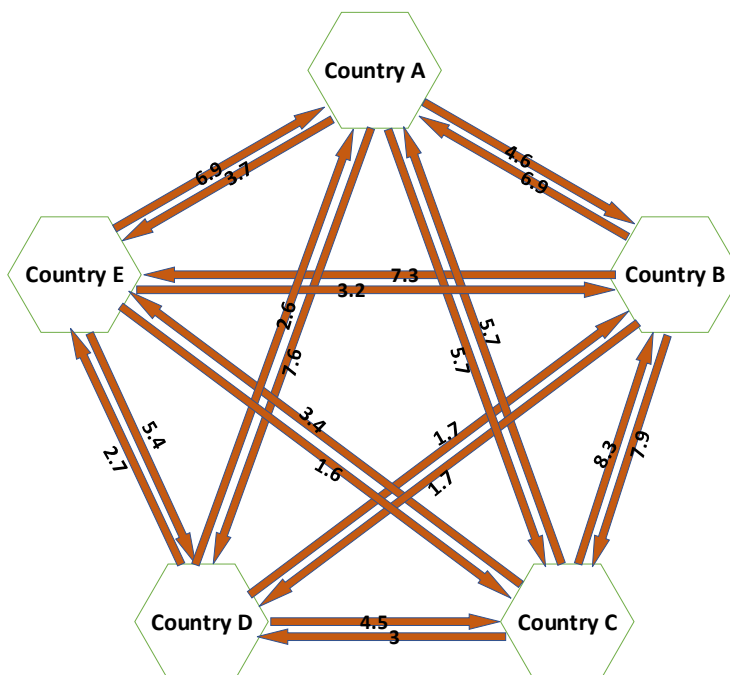


Figure 3- Sample aggregated transactions between five countries



In Figure 3, totally the amount of 94.4 units of transactions are executed during the period. If every couple of countries write-off the minimum aggregated transaction between themselves, only 21 units of transactions will remain un-cleared after bilateral DNS execution, according to Figure 4.

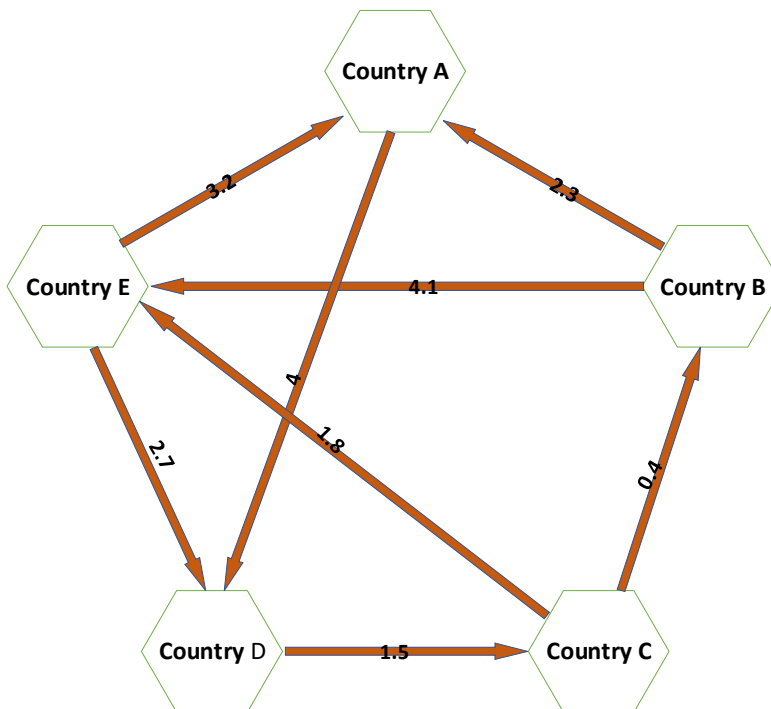


Figure 4- Uncleared transactions based on bilateral DNS

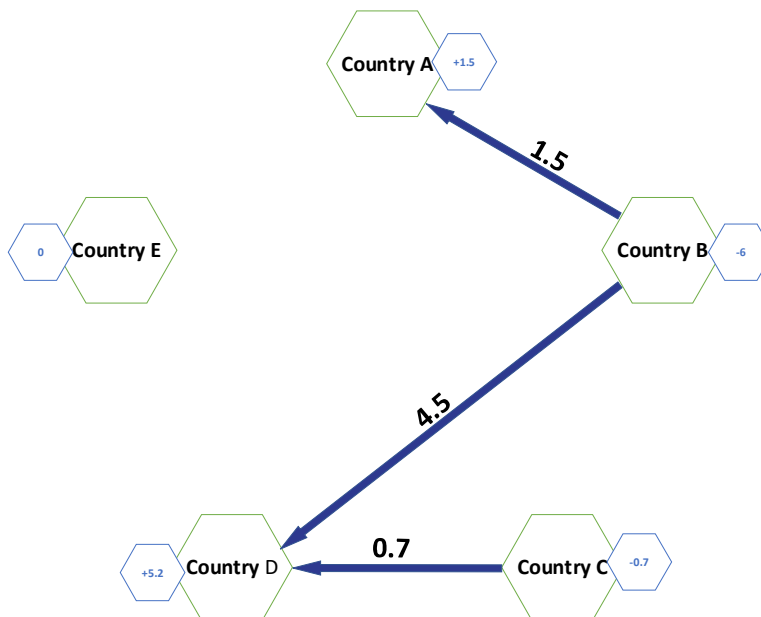


Figure 5- Uncleared transaction based on Multilateral DNS

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## 4.2 Multilateral DNS payment system

Bilateral DNS payment system is not benefiting from the maximum available efficiency in example of Figure 4. If the countries in the mechanism of bilateral DNS in Figure 4 reach an agreement to write-off their obligations in groups, then they will use the benefit of multilateral DNS payment system. Figure 5 illustrates the un-cleared amounts of the example scenario of Figure 4 after using multilateral DNS. This mechanism will reduce the required settlement amount from 21.0 units to 6.7 units. Therefore, 14.3 units of premium efficiency will be caught by implementing multilateral DNS.

Here in an unreal scenario only 6.7 units out of 94.4 units of transactions was required to be settled and 87.7 units were cleared using DNS. In the real world, these amounts depend on the number of contributing countries and their trade status.

## 5 Background

Economic Cooperation Organization was the successor organization of what was the RCD, founded in 1964, which ended activities in 1979. ECO is an Asian political and economic intergovernmental organization, which was founded in 1985 in Tehran by the leaders of Iran, Pakistan, and Turkey. It provides a platform to discuss ways to improve development and promote trade and investment opportunities. The main economic and commercial goals that led to the creation of ECO are the followings:

- Sustainable economic development of Member States;
- Progressive removal of trade barriers and promotion of intra- regional trade;
- Augmentation of the role of ECO region in the growth of world trade;
- Gradual integration of the economies of the Member States with the world economy;
- Development of transportation & communication infrastructure linking the Member States with each other and with the outside world;
- Economic liberalization and privatization;
- Mobilization and utilization of ECO region material resources;
- Effective utilization of the agricultural and industrial potentials of ECO region;
- Regional cooperation for drug abuse control, ecological and environmental protection and strengthening of historical and cultural ties among the peoples of the ECO region;
- Mutually beneficial cooperation with regional and international organizations.



Figure 6- ECO Geography

It should be noted that the current mechanism established between members to make payments is complex and time consuming. As a result, it is necessary to think of measures to achieve the goals and remove barriers to enhance the trade between members.

## 5.1 Payment Systems and Building Components

In every economy, many transactions take place on the initiative of a wide range of economic research day. All transactions, whether they involve the acquisition of goods, financial assets or services (and provided they do not involve bartering), have two settlement components: (i) the delivery of the good or service; and (ii) the transfer of funds – i.e. payment using cash (banknotes and coins) or deposits held with banks (funds in accounts held with banks). A payment is therefore a transfer of funds which discharges an obligation on the part of a payer vis-à-vis a payee. A payer is the party to a payment transaction which issues the payment order or agrees to the transfer of funds to the payee. A payee – or beneficiary – is the final recipient of funds.

Well-designed payment infrastructure contributes to the proper functioning of markets and helps to eliminate frictions in trade. If the cost of a transaction exceeded the benefits expected from the trade, then services, assets and products might not even be exchanged. The availability of reliable and safe payment mechanisms for the transfer of funds is therefore a sine qua non for the majority of economic interactions (i.e. “no payment, no trade”). In its more restricted sense, the term “payment system” is sometimes used as a synonym for “interbank funds transfer system” or “IFTS”. However, at a general level, the term “payment system” refers to the complete set of instruments, intermediaries, rules, procedures, processes, and interbank funds transfer systems, which facilitate the circulation of money in a country or currency area. In this sense, a payment system comprises three main elements:

1. Payment instruments, which are a means of authorizing and submitting a payment (i.e. the means by which the payer gives its bank authorization for funds to be transferred or the means by which the payee gives its bank instructions for funds to be collected from the payer);
2. Processing (including clearing), which involves the payment instruction being exchanged between the banks (and accounts) concerned;
3. A means of settlement for the relevant banks (i.e. the payer’s bank must compensate the payee’s bank, either bilaterally or through accounts that the two banks hold with a third-party settlement agent).<sup>1</sup>

## 5.2 History In ECO

In addition to the general objectives stated above, ECO also follows more specific objectives of establishing a payment system, as follows:

- Forming a mechanism to facilitate payment transactions for ECO trade and services.
- Payment systems need for multilateral cooperation to service regional trade and investment.
- The plan of establishing ECO regional financial system which would provide facilitation to settle payments to import and export of goods and services among the ECO Member States.

In order to create a payment system for ECO members, the organization has raised the issue of creating the ECU. ECU is a system for clearing payments among their respective countries on a multilateral basis.

Establishment of ECU has been the focus of the organization's efforts to establish a payment system, which began in 2014.

### 5.3 Concept Paper

As mentioned, one of the main goals of ECO is to develop economic and trade cooperation. The organization seeks to expand intra-regional and supra-regional trade and remove trade barriers. Since achieving any goal requires provision of the necessary and appropriate infrastructure, the realization of the above-mentioned economic and commercial goals, which is intended for ECO, also requires the necessary financial infrastructure. The existence of the necessary infrastructure to establish financial relations facilitates the realization of economic and trade cooperation and reduces the cost of transactions. One of the most basic ways to improve financial relationships is to create a payment system.

To achieve these goals, members need to develop financial relationships with each other and create the necessary platforms and infrastructure. One of the most basic infrastructures necessary to achieve business and economic goals is the creation of a joint payment system between members, which has similar experiences in the world.

The new cross-border payment system can replace the current existing mechanism of processing cross-border payments, which is found to be time consuming, complex, and ineffective cost-wise.

The mentioned system is expected to further enhance the security and efficiency of cross-border payments across the region and significantly reduce transaction processing time and cost. The new system will also contribute in the development of appropriate infrastructure facilitating the clearing and settlement of financial operations. It will also strengthen the regional market and promote the integration of financial markets in the ECO countries.

Establishment of ECO Clearing Union would facilitate ensuring better conditions for payments in the region, promote financial and monetary cooperation and facilitate expanded trade and economic collaboration amongst the Member States.<sup>2</sup>

Forming ECO Clearing Union will (i) facilitate settlement of payments for current international transactions on a multilateral basis; (ii) promote the use of participants' currencies in current transactions; (iii) promote monetary cooperation among the participants and closer relations among the banking systems to expand trade and economic activity among the countries of the ECO Region; (iv) provide for currency swap arrangement among the participants.

## 5.4 Informative Report

In the past, in terms of literature, there was a proposal to create an International Clearing Union (ICU). The ICU was one of the institutions proposed to be set up at the 1944 United Nations Monetary and Financial Conference at Breton woods in the United States, by British economist John Maynard Keynes. Its aim was regulation of currency exchanges, a role that eventually was taken by the IMF.

The ICU would be a global bank whose job would be clearing of trade between nations. All international trade would be denominated in a special unit of account, the proposed bancor. The bancor would have a fixed exchange rate with national currencies, and would be used to measure the balance of trade between nations. Every good exported would add bancors to a country's account, while every good imported would subtract them. Each nation would be incentivized to keep their bancor balance close to zero by one of two methods to be applied as required. In the case of an excessively positive bancor balance, part of their surplus would be taken and applied to the Clearing Union's Reserve Fund. In the case of an excessively negative bancor balance, their currency exchange rate would be lowered, making imports more expensive and exports cheaper. In this way nations would be encouraged to buy other nations products.

Gold and national currency would no longer be used in international trade and would no longer be moved between countries in the proposed ICU.<sup>3</sup>

In the field of efforts and measures taken to establish a multilateral payment system, there are some economic and trade unions like ECO that have taken measures to establish a special payment system to achieve their economic and commercial goals.

To this end, a number of unions, organizations, other international agreements, and cooperation between countries that have established their own payment system, have been reviewed. In this study, it is tried to consider cases similar to ECO.

### 5.4.1 ACU

Asian Clearing Union (ACU) is a payment arrangement whereby the participants settle payments for intra-regional transactions among the participating central banks on a net multilateral basis. The main objectives of the clearing union are to facilitate payments among member countries for eligible transactions, thereby economizing on the use of foreign exchange reserves and transfer costs, as well as promoting trade and banking relations among the participating countries.

The objectives of the ACU are:

- To provide a facility to settle payments, on a multilateral basis, for current international transactions among the territories of participants
- To promote the use of participants currencies in current transactions between their respective territories and thereby affect economies in the use of participants exchange reserves
- To promote monetary cooperation among the participants and closer relations among the banking systems in their territories and thereby contribute to the

expansion of trade and economic activity among the countries of the ESCAP region

- To provide currency swap arrangement among the participants to make Asian Monetary Units (AMUs) available to them temporarily.

### 5.4.2 ASEAN

The Association of Southeast Asian Nations is an international political, economic, and cultural organization in Southeast Asia, and its main activities revolve around the development of economic cooperation. In 2014, the five largest members of ASEAN - Indonesia, Malaysia, Singapore, the Philippines, and Thailand- agreed to implement an integrated payment system to enable RTGS systems. With this system, a bank customer can carry out multi-currency transactions in minutes through non-cash payments. The ASEAN five Central Banks have worked on establishing protocols for intra-trade settlement, retail payments, monthly remittances, and capital market settlements.

Under the system, individual users across ASEAN will be able to make financial payments through ATMs, credit cards, or electronic money without spending a significant amount of time or money doing so.<sup>4</sup>

### 5.4.3 SAARC

South Asian Association for Regional Cooperation (SAARC) is a political and economic organization of eight countries in South Asia. The purpose of forming this union is to increase cooperation in various fields. In 2007, at a conference of the SAARCFINANCE group -a group to promote the union financial cooperation- the idea of creating a regional payment scheme in the SAARC region, entitled "Towards a regional payment group", was launched. The Governors of the SAARCFINANCE Group approved the proposal for establishing a SAARC Payments Initiative (SPI).

The SPI is primarily aimed at strengthening the existing payment and settlement systems (PSSs) in the SAARC region to facilitate an efficient, robust, stable, and convergent PSS for the SAARC region that benchmark with international standards. Its vision and mission will be accomplished by facilitating the implementing comprehensive reforms in domestic as well as cross-border PSSs through close coordination and cooperation.

Launching of the SPI was a historic event due to a number of reasons:

First, the national PSS reforms to have a regional forum under the SPI for the SAARC countries to help and learn from each other.

Second, the SPI is to provide an effective institutional arrangement for the SAARCFINANCE Group to achieve one of its key policy objectives, i.e. working towards an efficient payment system mechanism to promote trade and investment in the region.

Third, with establishment of the SPI, the SAARC region central banks get an opportunity to become a regional partner of the global payment system community and upgrade the region payment systems to international standards.

#### 5.4.4 SEPA

The Single Euro Payment Area (SEPA) is one of the most well-known and successful economic and political unions that introduced the single currency, the euro, to further converge economically and commercially among members and facilitate financial transactions. Following the introduction of the euro as the currency of the European Union, TARGET payment system has been set up to send euro payments to central banks and commercial banks. TARGET is the RTGS system owned and operated by the Eurosystem. Central banks and commercial banks can submit payment orders in euro to TARGET, where they are processed and settled in central bank money, i.e. money held in an account with a central bank. TARGET2 settles payments related to the Euro system monetary policy operations, as well as bank-to-bank and commercial transactions.<sup>5</sup>

Also, in 2008, SEPA was introduced to European countries to integrate national and cross-border payments and to simplify bank payments made with euro currency.<sup>6</sup>

#### 5.4.5 COMESA

The Common Market for Eastern and Southern Africa (COMESA) is an initiative that began in 1994 in an effort to increase economic cooperation and security among its 19 member states. In 1984, the COMESA Clearing House (CCH) was established to enable member states to trade with each other in their own national currencies. Payments integration in COMESA took another big step forward in 2009 with creation of the Regional Payment and Settlement System (REPSS), which enables participating member states to connect to a central clearing and settlement mechanism through their national central bank to make cross-border payments without using correspondent banking channels.

REPSS is not intended to replace domestic payment systems. Customers that wish to make a cross-border payment through REPSS inform a commercial bank, which then routes the payment to REPSS via their national central bank. Central banks are the only direct participants in REPSS, which clears and settles payments in either US dollars or euros. There is no value limit in REPSS; it clears and settles both high- and low-value payments. It is believed that REPSS will help bring about increased trade and the creation of a common market within COMESA.<sup>7</sup>



## 6 Project Rationale and Motivation

While it is transparent from literature that an RPS realizes trade growth as discussed in sections 4.1 and 4.2, clearing and settlement of region payments could be simplified using bilateral and multilateral DNS.

### 6.1 General Observation

By analysing the balance of trade (excluding service and remittance) it would be found-out that just at the level of products exchange, there only 28% of the volume of transactions is needed to be settled outside the region by the value of \$8 billion. Almost \$21b (\$17b in bilateral mode and \$4b in multilateral mode) could be settled intra-regional without need to any WAC real transaction and therefore there is no need to real WAC reserve.

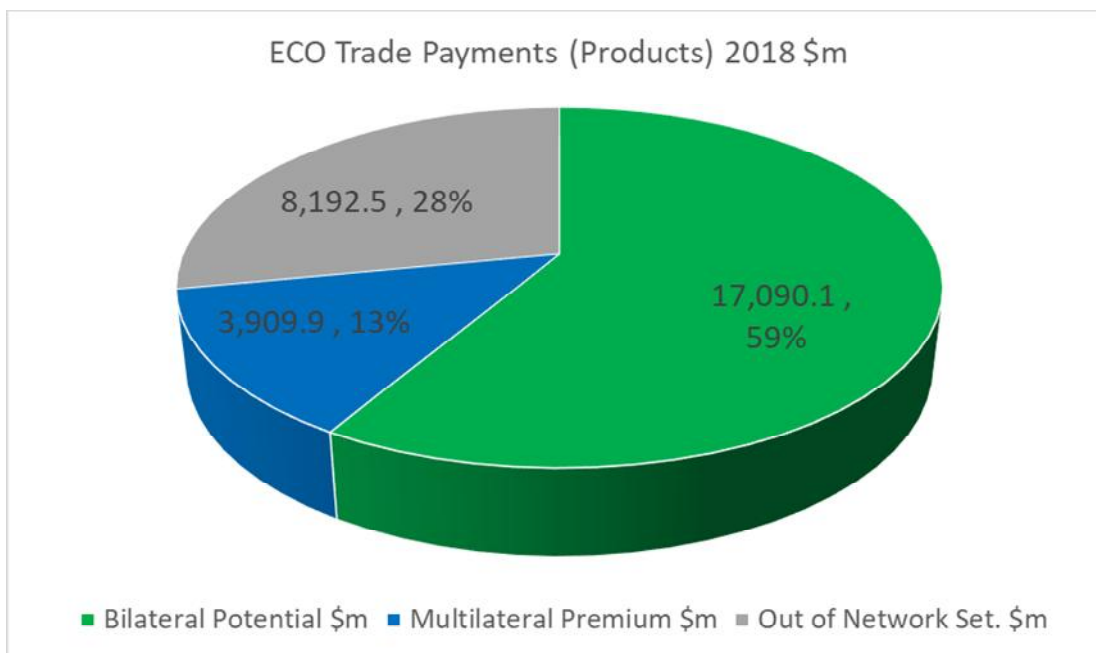


Figure 7- ECO trade payments settlement potential

The intra-regional settlement potential is either more by considering services exchange and money remittance. Table 2 illustrates the balance of trade between countries in the region in 2018.



the transaction speed toward an RTGS system, reducing the trade barriers by making trade available between members more freely far from international restrictions and basically based on members consensus.

If we define the region as a single state trading the huge economies of China and Russia, the amount of product exchange that could be settled within the region and in trading with Russia and China will grow surprisingly. More than \$128b (\$113b in bilateral mode and \$15b in multilateral mode) could be settled intra-regional by considering China and Russia as strategic trade and payment partners without need to any WAC real transactions and therefore no need to real WAC reserve.

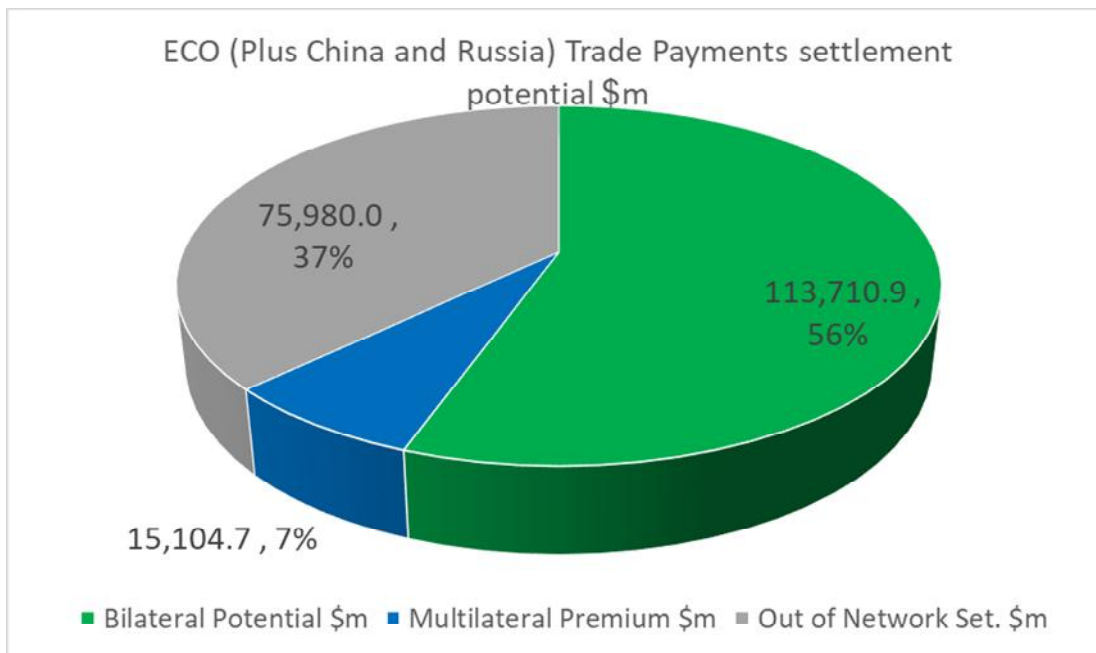


Figure 8- ECO(Plus China and Russia) Trade Payments settlement potential

### 6.3 Social Justification

Increasing wage rates and lowering unemployment are two explicit results of improving trade of goods and services in ECO for contributing member states in ERPS.

Improving the social welfare by diversifying the available products and services via lowering trade barriers and easing financing trade between member states is also expected to make better the quality of life in member states.

### 6.4 Regional Integration Rationale

By implementing a localized LVPS for the ECO region, the member countries could define their own trade preferences considering rules, tariffs, banned lists, etc. The member countries and their financial institutions can act closer together without need to consider international complicated rules and instructions. The region may become as a single country with uniform rules for exchange of goods and services that is easier to handle and monitor in

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comparison to the situation, in which transactions are not under the central supervision of the ECO secretariat.

## 7 Terms of Reference for Consultancy Service

The terms of reference for this consultancy project are described in this section.

### 7.1 Outcomes, Methodology, Activities

The consultancy project outcomes are listed as follows:

- A deep knowledge for the ECO secretariat and the members on how the current payment arrangement of the region is and how did similar regions try to improve trade by payment systems.
- A working knowledge for the ECO members on their countries benefits by implementing a regional payment system (economic/financial feasibility).

The project will be maintained at first step by providing the results from study of the literature and assessing existing clearing houses and clearing unions around the world. Next by analysing the costs/losses, which are imposed to member countries and the trade amount of the ECO region in absence of a common effective, efficient, and accessible integrated payment system.

During the project there would be plenty of interviews with members responsible persons from central banks and ministries of trade/economy in order to collect information on members trade and that how payments are processed. A field study and deep research of the ETDB capacity to play a central role for ERPS settlements will also be maintained to estimate the cost of implementation better.

### 7.2 Outputs

The project outcomes are designed to be achieved via 3 main deliverables as follow:

#### 7.2.1 Deliverable No. 1: Regional Payment Systems Benchmarking

There are several implementation of regional payment systems in the world. As the beginning steps the consultancy project will be started by benchmarking similar projects like SEPA and REPSS. This benchmarking will cover the history and basics of regional payment systems, missions, and achievements, building blocks and existing arrangements, and other required facts around them. During the consultancy project the clearing and settlement mechanisms of such payment systems would also be reported. The project team will focus on technical structure of existing regional payment systems, how they reduce time of transactions and other financial costs, and legal arrangements and agreements between central and commercial banks of states participating in existing regional payment systems.

#### 7.2.2 Deliverable No. 2: ECO Trade Figures & Payment Arrangement

As discussed above, one of the main roles of payment systems is to improve trade by reducing cost of exchange and financing the trade. It is specifically interesting to extract the factors contributing in complexities of current payment mechanisms among member states, and to know how much time and (financial) costs will be saved and trust will be developed

by migration from current payment arrangements to ERPS. The project team will then analyse the trade figures of goods and services where data would be available) and that how they are paid internationally. This means considering ECO trade versus ECO members' trade with world. Besides, the capacities and challenges of current payment networks is expected to shed light on improvement in ECO trades. Also, the clearing mechanism will be described in this part and the effect of clearing mechanism on balancing payments will be demonstrated..

### 7.2.3 Deliverable No. 3:Economic and Financial Feasibility of ERPS

Analysing the benefits of ERPS for member states is necessary since each member decides for cooperation considering both direct benefit for their own state and the whole benefit for the region. The project team will evaluate each member's potential benefit and the whole regional potential for developing ERPS, and possibility of earning other economic and social) etc benefits other than reducing time and costs of transactions. Projections may be made in anticipated increase in trade due to introduction of RPS. The study will propose a clearing system for ECO to resolve these factors/complexities for trade facilitation by sharing the exact technical details and structure for clearance at bilateral and multilateral level for the Member States.

Potential benefit, estimated cost of implementation, and running costs will be calculated and presented in this part of the consultancy project.

## 7.3 Cost of Consultancy

Consultancy Service will be paid EUR 3,000.00 from GRF in the form of instalment pays in compliance with ECO consultancy payment practices work schedule

The whole project will be completed via 3 steps, some in parallel, as mentioned below.

Table 3- Work schedule

No.	Output	Time required to complete
I	Deliverable No. 1: Regional Payment Systems Benchmarking	3 weeks Parallel to II
II	Deliverable No. 2: ECO Trade Figures & Payment Arrangement	6 weeks Parallel to I
III	Deliverable No. 3: Economic and Financial Feasibility of ERPS	8 weeks Parallel to end of II
	Total	12 weeks

The following is the work schedule of starting and delivering the outputs of the consultancy project.

Table 4-Work schedule of starting and delivering the outputs

No.	Deliverable \ week No.	1	2	3	4	5	6	7	8	9	10	11	12
I	Deliverable No. 1: Regional Payment Systems Benchmarking	■	■	■									
II	Deliverable No. 2:ECO Trade Figures & Payment Arrangement	■	■	■	■	■	■						
III	Deliverable No. 3:Economic and Financial Feasibility of ERPS					■	■	■	■	■	■	■	■

### 7.3.1 Payment Schedule

Cost of this consultancy project is required to be paid in three steps. First at the beginning of the project and at the commencement date, equal to 20% of total project cost. The second after delivering the Deliverable No. 2:ECO Trade Figures & Payment Arrangement, equal to 40% of total project Cost. The third after delivering the

Deliverable No. 3:Economic and Financial Feasibility of ERPS, equal to 40% of total project Cost.

Table 5- Payment schedule

Payment Period	% of project Cost	Exact/Estimate Date.
1	20%	At commencement of contract
2	40%	By end of week No. 4 after commencement
3	40%	By end of week No. 12 after commencement
Total	100%	12 weeks of consultancy services

## 7.4 Arrangements for Implementation

This project is needed to be prepared by collecting information from all the ECO member countries. Since there are very strict restrictions on travel across borders (COVID-19 considerations), the main data collections will be maintained via web and by holding online interviews with local experts and member countries central bank managers.

Also, as the main available potential for selecting settlement bank, the ECO Trade and Development Bank is required to be included in field interviews and study.



It is expected the ECO secretariat to arrange for all such meetings and interviews but **any additional cost** on account of travel, communication, logistics and costs of any kind will be **not** be borne by ECO Secretariat.

#### **7.4.1 Monitoring Framework and Performance Indicators**

The monitoring framework and performance indicators will be proposed by experts of ECO secretariat if necessary.

#### **7.4.2 Supervision Arrangement**

Project Manager, in fulfilling specifications of the present ToR, will be supervised by ..... in cooperation with Head of project implementation unit (ECO Secretariat).

### **7.5 Conclusion**

The present Terms of Reference have been prepared to explain assignments/activities of Project Manager who will prepare the study titled: “*ECO Regional Payment System Feasibility Study*” aiming analysis of benefits and costs of a regional payment system for the ECO region.

The preparation of the study will last for 12 weeks (almost 3months) with the total cost of EUR 3,000.00.

In preparing the study, Project Team may take full guidance of the present ToRs as these are based on ECO Policies, Rules, Procedures and Project monitoring and management norms and standards.

### **7.6 Signatures**

The present document is done on ... **September 2020** and signed by:



<b><u>On the part of Project Manager:</u></b>	<b><u>On the part of Economic Cooperation Organization:</u></b>
<b>Dr. Mohsen Karimi</b>	<b>Dr. Hadi Soleimanpur</b>
Chief Executive Officer	Secretary General
RUNC Clearing Systems (RUNC International)	Secretariat of Economic Cooperation Organization
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