



[GUIDELINES]

[Updated Guidelines for ECO's Small Sized Projects]



UPDATED GUIDELINES FOR ECO'S SMALL SIZED PROJECTS

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Preamble

The present update to Guidelines of ECO Projects has been motivated by the 24th Council of Ministers Meeting (8-9 November 2019, Antalya). Specifically, recommendation (1) of Antalya Communique urged ECO Member States to: “*Emphasize the need for effective functioning of the ECO in the coming decades as a more **project and result-oriented**, innovative and inclusive organization.*”

Purpose

The purpose of the present document is to provide updated project guidelines stemming from ones endorsed by the 23rd Meeting of Regional Planning Council (RPC) on 6-8 May 2013, Tehran-ECO

Secretariat. In line with paragraph-223 of Report of 23rd RPC: “*Council recommended that the Secretariat should follow the policies and implementation standards as reflected in ECO Project Guidelines with the objective to improve efficiency, dynamism, and visibility in ECO operations*”.

In the light of above-stated, the present update will focus on “small sized projects” capable of delivering fast-track concrete results. While “large and medium-sized projects” ECO projects are governed by *Functional Methodology of ECO*, and project principles/processes/project implementation/monitoring by the 2013 Guidelines for ECO Projects, the present update will regulate ECO’s “small sized projects”.

Definitions

1. With pertinence to funding of the projects that have short implementation and completion time frame, such as three-month period, paragraphs 27-28 of Report of 24th Council of Ministers Meeting (COM), which was held on 8-9 November 2019 in Antalya (Turkey) stipulated that funding will be from Special Support Fund (SSF). In that context, the above-referred paragraphs may *de facto* apply to “small sized projects” thus de jure defining them as ones eligible for SSF funding. The criterion in such definition is short-term implementation time period of projects, which is three months.
2. By form, “small sized projects” may be varied. They may acquire different forms, including a research. To that effect, the Guidelines (2013) defined a research as follows: “*An academic research shall involve neither a pre-feasibility nor a feasibility study*”. It is therefore that research may skip complexity of pre-project process.

Distribution of allocated amounts within project cycle of small sized projects

3. The ECO’s existing project-relating regulatory provisions indirectly but admit a distinction between “medium and large sized projects” and “small sized projects”. To remove such ambiguity, the present document is strictly aligned with decisions of the 24th COM stating that funding of projects with short term completion shall not exceed US\$10,000 per project. In that regard, “small sized projects” (as per present document) shall avail of funding, which is commensurate to “small value of project”, that is, US\$10,000 and/or less.
4. As per cost breakdown of funding within project cycle, the above-specified amount of funding may be distributed in the following proportions: (a) 10%-30% of total—for consultancy fee and (b) the remaining 70%-90% of total—for actual research realization.
5. There may also be an alternative facility for ECO’s “small sized projects”, that is, a consultancy project. The funding of small sized consultancy projects is distributed according to economic Pareto rule, in the proportion of 80%-20% prioritizing "effort" versus "action". Therefore, in consultancy projects (if fully focused on research), 80% of such project’s effort should be complemented by 20% of the project’s activity to be exerted at actual realisation [1]. Based on such economic rule, 80% of

¹ The Pareto technique is used in a broad range of project methodologies such as Lean Six Sigma. They not only indicate interdependence between routes and causes but also project notions such as effort versus activity, inputs versus outputs etc.

consultancy research may be complemented by 20% of activity. Using this rule in application for ECO's "small sized projects", 80% of work will be research and 20% of work will ensure project's bankability. Payment to consultancy service will be effected in above-detailed proportions, accordingly. The key outcome of such consultancy research will be its bankability, at output.

Role of the updated Guidelines of ECO projects in governing "small sized projects"

6. The Guidelines for ECO Projects (2013) defined "a programme" which may have in its framework: (i) surveys, (ii) studies, (iii) activity reviews, (iv) publications and (v) research work".
7. Along the similar lines, the above-referred document prioritized the outcomes/results of an ECO project as follows: "distinction between an action/activity oriented project and a research project is vested in the ultimate outcomes, results".
8. Added to the above, the Guidelines (2013) confirmed that: "feasibility study research shall be oriented on actions/activities, which are sector specific for each of the ECO core areas. These shall be based on the quantified measurable targets identified in each sector and the latter will be tied up to the quantified and measurable indicators as specified for a project. Compliance of such targets with the *ECO Vision-2015* and subsequent policy documents is important". In this regard, ECO's "small sized projects" will follow quantified and measurable targets as envisioned by *ECO Vision 2015*.

Modes of financing ECO's small sized projects

9. Financing of ECO's "small-sized projects" shall be from Special Support Fund (SSF).
10. By contrast, financing of ECO projects (medium and large scale projects) is "provided from the ECO Feasibility and General Purpose Fund (FGPF), the Transit Transport Framework Agreement Fund (TTFA), the ECO Fund for Afghanistan (ERA), ECOTA Fund and TPF. Such funds have specific requirements for financing, as mandated by their respective regulatory documents, signed by the Founding Members of each of these funds".

Co-financing of ECO's small sized projects

In an ECO's "small sized project" (if research study project) after a subject research will have been performed via provision of consultancy service, it will further be handed over to ECO Trade and Development Bank (ETDB) for further financing. In so doing, the subject project will, in subsequent realization of research-justified findings, be governed by ETDB's project management practices.

ECO's overall financing plan for ECO's small sized projects

The ECO Project Monitoring Group (PMG) ensures the development and adoption of a pipeline project Financing Plan. The PMG was established in 2011: "*The Council welcomed establishment of the Project Monitoring Group (PMG) at Secretariat as its main objective is to ensure effective inter-agency coordination between ECO and international partner organizations on project implementation.*" (paragraph-243, Report of 21st Meeting of ECO Regional Planning Council (Tehran, 17-19 May, 2011)).

All members of the PMG provide inputs in developing and implementing the above-stated Financing Plan in their relevant areas of responsibility. The Plan shall contain two main components: (i) current pipeline short-term project financing, and (ii) medium- and- long term financing.

Initiation of ECO's small sized projects

Process of ECO's "small sized projects" shall consist of the following stages: (i) approval of a project concept, (ii) formulation of project concept proposal, (iii) endorsement by COM, (iv) contracting and subsequent provision of consultancy service for fulfillment of a "small sized" research study project, (v) submission of research project outputs as per Terms of reference, (vi) potential sub-letting the contract for a provision of consultancy service to ensure bankability of research study findings, (vii) submission of final output of research study project and of the information about pledging/s of project partners.

For a "small sized project" process to commence (based on project Terms of Reference to procure or hire of consultancy service), such "small sized project" shall undergo contracting. The process and procedure of contracting will be supervised by Legal Adviser of ECO. At this stage, contracting does not require approval of CPR because the concept of a "small sized project" has gone through endorsement at COM level. For fulfilling the contracting procedure to hire consultancy service, a "small sized project" shall be furnished by adequate content using a "typical framework" of which sample is at [Annex I](#).

Evaluation of ECO's small sized projects

Preliminary evaluation of progress in "small sized project" implementation shall be based on updates provided by a responsible Director. These should be in worksheets of project management information system (PMIS) software project files to be related to Project Management Section (PMS) one week prior to a meeting of Project Monitoring Group (PMG). The 24th Council of Ministers of ECO (8-9 November 2019, Antalya) approved a new organizational unit structure at ECO Secretariat, that is, Project Management Section (PMS). The PMS, based on input entries of responsible Directorate, shall prepare prerequisite analyses of "small sized project" progress as compliant with project Terms of reference. The PMG will then adopt a decision on results-based evaluation of progress in each "small sized project" basing on standard analyses fulfilled by PMS and project-specific comments provided by responsible Directorate.

In overall, evaluation of a "small sized project" progress (if research study project) will adhere to the principle of "bankability". In sum, evaluation of progress by PMG shall also incorporate project characteristics attributed to bankability. The PMS' analyses relating to above-described aspects of a "small sized project" shall derive from reporting items as specified in Terms of reference and progress updates (automated to exclude a bias). Such procedure will help avoid multiple and thus varied assessments & evaluations because it will come from a single window. Thus, procedure for any of "small sized projects" shall build on: (i) "small sized project" Terms of reference annexed to project contract, and (ii) compliance with project's performance indicators, reporting items and PMS updates. The decisions of PMG on each of "small sized projects" shall therefore be critical in attaining centralized, results-based assessment & evaluation of progress (project monitoring) in "small sized projects".

Expected impact quantification of ECO's small sized projects

Each ECO's "small sized project" shall have quantified & measurable indicators to evaluate its expected impact. Quantification will be carried out using commonly accepted project-related standards. At a later stage, these will be aligned with norms/standards of ECO Trade Development Bank (ETDB), the Islamic Development Bank (IsDB) as well as the United Nations (UN).

Reporting on implementation of ECO's small sized projects

Progress reports on each ECO's "small sized project" shall be filed by PMS based on updates by a supervising Director of sectoral Directorate or, in the absence of such, a Programme Officer (PO) who shall regularly input small sized project's update entries in PMIS. The responsible Director shall obtain reporting items of "small sized project" from Expert Consultant whilst his/her provision of consultancy service as contracted. Final reporting to Member States is to be under a mode and in an order as specified in Terms of reference (ToR). Reporting may also be through video conferencing, as per relevancy, but supported with reporting items as per ToR. Outcomes of such reporting are recorded, documented and appended to relevant "small sized projects" document files for registering and upon project completion archiving. The best "small sized projects" practices will be posted on ECO website for visibility as per ECO Vision 2025.

In aggregate, "small sized projects" files will be added to ECO's overall pipeline projects while they will find reflection in the short-term financing plan of ECO projects based on the criteria, which is three-month period implementation/completion.

Responsibilities of a Director in small sized project process

Due to the fact that a Director of a sectoral Directorate acts as a supervisor of a "small sized project" assigned in his/her sector area at Secretariat, all responsibility related to progress in such type project shall be vested with the Director. At onset, it shall be the responsibility of the Director to initiate "a small sized project" concept paper, preparing concept project proposal and submitting the latter through PMS to PMG. The relevant Director shall supervise and steer "small sized project" throughout all of the latter's processes toward endorsement at COM. "Small sized project" coordination/supervision should be part of the Director's work responsibilities. When ECO Secretariat employs a Director, a recommendation from delegating authorities highlighting project coordination/supervision skills of Director shall be mandatory. This is necessitated by the orientation of the Economic Cooperation Organization on projects. In the absence of such skills, the PMS of the ECO Secretariat shall be of immediate assistance.

Responsibilities of a Programme Officer in processing small sized projects

Follows up, during inception of a "small sized project" proposal, is the responsibility of a Programme Officer. The Programme Officer is responsible for updating "small sized project" files in PMIS, regular communication/interaction and follow up with Expert Consultant hired for provision of consultancy

service. Communication with source of consultancy, that is, Executing Agencies of Regulating Authorities in ECO Member States and/or an International Consultancy Firm will be by responsible Director. Details of reporting items in line with performance indicators set for Expert Consultant shall be inputted in PMIS by Programme Officer whose project assistance skills may be preferred. In the absence of such skills, PMS will be of technical assistance.

Conclusion

Today's changing realities, notably, recent outbreak of COVID19 that suppressed dynamism in regional activities, including in projects, may entail further reform in modes of economic activity. Such trend may entail a reform toward shifting to digitalization and digitisation as well as greater integrational networking. Along this path, COM has ensured a required degree of liberty in taking timely decisions by the Secretary General. Thus, Tehran Communique approved by the 20th COM: *“Agreed that the reform process shall address, inter alia, the regulatory, institutional, budgetary and other requirements of the Organization putting in place a reliable and durable cooperation framework for our Region, and to that end mandated the Council of Permanent Representatives (CPR) to provide the Secretary General with necessary support and authorizations enabling him to mobilize all in-house and external resources, including pertinent expertise and applicable reform models, with a view to ensuring the applicability and usefulness of the envisaged reforms”* (recommendation-4).

Abbreviations

ECO – Economic Cooperation Organization
 COM – Council of Ministers
 RPC – Regional Planning Council
 CPR – Council of Permanent Representatives
 ECOTA – ECO Trade Agreement
 TI – Trade & Investment
 AI – Agriculture & Industry

FGPF – Feasibility Study and General Purpose Fund
 EFA – ECO Fund for Afghanistan
 TC – Transport and Communications
 HRSD – Human Resources and Sustainable Development
 TPF – Tourism Promotion Fund
 PMS – Project Management Section
 Tourism/PJC/EAPA – Tourism/Parliamentary and Judicial Coordination/ECO Advocacy Programme of Afghanistan