



ECO Modalities and Guidelines

January 2023

Contents

Table of Contents	2
Economic Cooperation Strategy for the ECO Region	3
Functional Methodology of ECO.....	8
Principles/Guidelines Governing the Attendance of ECO Secretariat in the Meetings/Events	17
Modalities for the utilization of Special Support Fund (2006)	19
Modalities for the ECO Award.....	20
Modalities for the Designation of Coordinators for Implementation of Important Projects.....	23
Modalities for the Establishment of Regional Centers and Specialized Units and Grant of Affiliation to Non-ECO Bodies and Organizations	27
Revised Terms of Reference of the Contact Group of ECO Ambassadors at Various Regional/International Fora Where Economic Issues are discussed.....	29
Modalities for Granting Observer and Dialogue Partnership Status at Economic Cooperation Organization (ECO).....	31
Modalities for signing Agreements with Regional and International Organizations, States and Institutions	37
Modalities for the Operation of the “ECO Fund For Afghanistan.....	42
Guidelines for the Selection of Theme for the Specific Years in ECO Calendar	47
ECO Secretariat’s Rules of Procurement of Goods and Services.....	49
Terms of Reference of the High level Committee	61

Economic Cooperation Strategy for the ECO Region

Since the increase in membership of ECO in November 1992, the Organization has gained new dimensions. In the first three years of its enlarged framework, ECO adopted two comprehensive Plans of Action; the Quetta Plan of Action of February 1993 and Istanbul Declaration on Long-Term Perspectives of ECO of July 1993. Both documents identify ECO's sectoral priorities with specific targets to be achieved by the year 2000. In line with the priority attached to the Transport and Communications sector, the Almaty Outline Plan for the Development of Transport sector was adopted in October 1993.

2. In pursuance of these Plans, several steps have been initiated to implement the specific targets stipulated in these documents. In order to facilitate the implementation of ECO's priority goals, there should be a comprehensive study of the economic conditions of the ECO Member States. Such a study must take full account of the policies and planning philosophies of each ECO Member State, the present and potential inter-relationship of the economies of the ECO Member States and the possibility of economies of scale and of cost competitiveness in the international market. Other important elements such as economic complementarities, trade and tariff policies, and intra-regional transit arrangements, ongoing evolution of private sector and macroeconomic reforms of each ECO Member State also need to be taken into account. This study to be conducted on priority basis should be the basis for all planning and programming of ECO's future activities.

3. This Strategy shall pursue the goals and objectives of ECO as stipulated in the Treaty of Izmir in accordance with the principles of cooperation also envisaged in the Treaty. The main challenge for ECO Member States is to develop their economic potentials through regional cooperation on the basis of mutuality of benefits. The foremost requirement is to establish the economic inventory of the region in the form of well-planned ECO Data Bank. Meanwhile, special efforts towards regional cooperation shall be concentrated for the next ten years on the following priority areas:

- (a) Trade
- (b) Transport & Communications, and
- (c) Energy

4. In the other fields of cooperation, the already agreed activities shall continue to be implemented. These activities shall be consolidated and streamlined. Meanwhile, at this stage, no new programmes and projects should be undertaken. The process of implementation of ECO's activities should be facilitated through strict adherence to the Functional Methodology of ECO.

Trade

5. In order to attain the overall objective of the Organization to expand intra-regional and inter-regional trade, the following measures shall be taken:

(a) Progressive removal of trade barriers within the ECO region keeping in view the experiences of other regions, global economic trends and international commitments undertaken by the Member States;

(b) Joint efforts to gain freer access to markets outside the ECO region for the raw materials and finished products of ECO Member States;

(c) Expansion of existing Preferential Tariffs Arrangement in terms of membership, applicability and scope, liberalization of intra-regional trade through all possible ways and means including the simplification and harmonization of national procedures in customs, transit of goods, attraction and protection of foreign investment, settlement of trade disputes, etc. taking into account international commitments of the Member States;

(d) Adoption of common approach to the extent possible, in dealing with regional economic groupings and relevant international organizations, particularly the WTO;

(e) Creation of a mechanism for managing intra-regional trade relations consistent with WTO rules and disciplines and ultimately accession to WTO by all EC Member States;

(f) Promotion of cooperation among banks of Member States and export credit guarantee schemes;

(g) Encouragement of Border Trade and Free Trade Zones;

(h) Gradual standardization of goods and products of the region; and;

(i) Evolution of a multilateral payment mechanism for the ECO region keeping in view the international commitment undertaken by Member States;

Transport & Communications

6. Almaty Outline Plan for the development of Transport sector in the ECO region shall be used as the basic blueprint of ECO's transport development strategy. Apart from practical steps and action-oriented efforts to be undertaken on priority basis on national, bilateral and regional levels to implement the provisions of this Outline Plan, the following measures shall be followed:

(a) Facilitation of transportation and transit of goods and passengers within the ECO region through short, medium and long term measures:

(i) Short-term measures:

- Optimum use of the present road and railway networks;

- Preparation of a comprehensive regional transit framework (e.g. document facilitating customs formalities, standardization of road signs etc);

(ii) Medium-term measures:

- Up-gradation of the existing transport infrastructure;

(iii) Long-term measures:

- Development of new and modern transport infrastructure.

(b) Improvement and development of air link between major cities and sea link between major ports.

(c) Development of multimodal transport framework for the ECO region.

(d) Exchange of experiences and techniques in the fields of planning, operation, management, safety and manpower development.

(e) Maximum utilization of the existing potentials and capabilities of the Member States.

(f) Improvement in the postal systems of the ECO Member States.

(g) Inter-connection of national telecommunications networks.

(h) Up-gradation of the existing telecommunications infrastructure and establishment of modern systems with priority to digital and fiber optical communications.

(i) Maximum use of the existing regional communication satellites.

(j) Promotion of regional cooperation in modernization of television and radio broadcasting and mass media communications.

(k) Preparation of a master plan for expansion and modernization of telecommunications in the ECO region.

Energy

7. The following measures shall be taken to promote regional cooperation in this vital sector:

(a) Preparation of an Energy master plan for the region specifying priority objectives and guidelines.

(b) Evaluation of present bilateral projects with a regional perspective.

(c) Transit facilitation measures for energy, oil and gas pipelines and other energy resources including access to international markets.

(d) Inter-connection of power-grids of ECO Member States.

(e) Regional cooperation for national development and utilization of energy resources with due regard to environmental concerns.

(f) Maximum utilization of the existing resources and potentials of ECO Member States.

General Principles

8. The following general principles shall be applied to accomplish the objectives of this Strategy:

(a) This economic cooperation strategy shall be pursued with political will and commitment of the Member States and proper coordination between the national plans and ECO's programmes of action.

(b) All regional programmes and activities should be based on a realistic evaluation of the socio-economic situation of the region supported by latest economic data and information.

(c) Pre-feasibility and feasibility studies shall be undertaken prior to approval of all projects.

(d) Private sector participation shall be encouraged in all fields and measures be taken to promote mutually beneficial joint ventures in the region.

(e) Besides the national resources, all efforts shall be made by the Secretary General as well as the Governments of the Member States to explore the possibility of international financing for ECO projects in consultation with the

ECO Trade & Development Bank, if necessary. To this end, the Secretary General shall maintain a close contact with other regional and international organizations to benefit from their resources and experiences.

(f) The membership of ECO Member States in various regional and international organizations should be utilized, to the extent possible, towards procurement of international assistance for ECO projects, and for advancement of ECO's goals and objectives.

(g) In the formulation of ECO's programmes of regional cooperation, due attention shall be paid to address the special needs of the new Member States particularly in the context of their economic restructuring and gradual transition to market-base economies.

(h) In-house professional expertise should be provided in the Secretariat and preference should be given to utilizing services of experts and consultants from within the region.

(i) All Member States shall be fully committed to facilitate the execution/operation of ECO's approved projects and shall endeavour to participate in joint projects, to the extent possible.

(j) Concerted efforts shall be made by ECO Member States to seek foreign investment in the implementation of ECO's projects.

(k) A realistic review of existing plans of action should be undertaken through the involvement of concerned Planning Organizations of ECO Member States and with the help of such international organizations as UNDP in order to bring the provisions of these plans in conformity with the new regional and global realities.

(l) The approved Functional Methodology of ECO shall form an integral part of this document to facilitate the implementation of the provisions of this Strategy.

Functional Methodology of ECO

In accordance with the provisions of the Treaty of Izmir, the Council of Ministers shall be the highest policy and decision making body of ECO. It shall be assisted by the Council of Permanent Representatives (CPR) and the Regional Planning Council (RPC) both being responsible for the overall management of ECO's operational activities. The Council of Permanent Representatives shall, on behalf of the Council of Ministers, supervise the functioning of the Secretariat, carry out the policies of the Organization, formulate issues requiring decisions by the member states and take appropriate steps on the matters connected with the implementation of the decisions of the Council of Ministers. The Regional Planning Council shall evolve programmes of action for realizing the objectives of the Organization along with a review of the past programmes and evaluation of results achieved for submission to the Council of Ministers. For the implementation of ECO activities and programmes, the Councils shall be assisted by the ECO Secretariat. The functions of the Organization shall be carried out in accordance with the Rules of Procedure and the following guidelines:-

I- Annual Calendar of Events and the Programme of Work of the Secretariat

A. General Provisions

1. The Annual Calendar of Events and the Programme of Work of the Secretariat shall be drafted by the Secretariat as two separate documents with utmost care and, once adopted, shall be implemented in the following manner:

(a) The Secretariat should pay due attention to the dates of the calendar from all aspects like national events, domestic commitments, holidays, flight schedules etc., and submit a finalized version to the RPC.

(b) The annual Programme of Work and the Calendar of Events approved by the Council of Ministers should be printed by the Secretariat and circulated to the member states.

(c) The Ministries of Foreign Affairs shall ensure that the Programme of Work and the Calendar of Events is circulated to all government departments and adhere to as fully as possible. In case a member state is unable to send its delegation, its representative in Tehran shall be authorized to attend the meeting with a brief from the concerned government department.

B. Annual Calendar of Events

3. The draft Calendar of Events shall be reviewed by the Council of Permanent Representatives and Regional Planning Council respectively and submitted to the Council of Ministers, for approval. Once approved there shall be no postponement of any meeting except in the case when majority of Member States asked for it.

C. Programme of Work of Secretariat

4. Secretariat's Work Programme shall be submitted to the Council of Permanent Representatives for the approval of the Council of Ministers. Upon approval, the Secretary General shall ensure its full implementation.

II- Preparation, Approval and Implementation of ECO Projects

(A) Regional Scope and Dimension:

5. Each project with regional scope and dimension shall be processed and approved in accordance with the stages of the Project Cycle given in

(B) below.

6. A project with regional scope and dimension shall be identified with ECO only if it benefits the ECO region as a whole or in part and/or if at least four Member States participate in it.

7. Eligibility for access to ECO Feasibility Fund for any particular ECO project shall be worked out by the concerned Economic Directorate and approved by the CPR on a case-by-case basis.

8. To the extent possible, all ECO projects shall be kept open to the participation of all Member States.

9. The non-participating Member States shall extend every possible cooperation to facilitate the implementation and operation of an approved ECO project. Such cooperation, which may include access to their internal markets shall be worked out through mutual negotiations on case-by-case basis.

10. Participation of Member States in any ECO project shall be flexible and the nature and scope of such participation shall be determined by the Council of Ministers on case-by-case basis.

11. For mobilizing international assistance for an approved ECO project, non-participating member states shall also give their concurrence and support, whenever applicable.

(B) Project Cycle:

(i) Pre-identification Studies:

2. These shall include regional, country, and sectoral studies or thematic surveys that provide information about the problems and opportunities faced by a sector and lead to suggestions for policy, project or programme type of interventions.

(ii) Identification of a Project:

13. The Member States may individually or as a group propose new ECO projects only at the RPC and the CPR. Secretariat may also submit project proposals in the meetings of the RPC and CPR. All proposals shall be consistent with Organization's agreed priorities and shall comprise sufficient descriptive data to facilitate consideration by the member Governments.

14. A project can also be identified in the form of a problem that has to be resolved, or an activity that is suggested to be undertaken. In identifying a regional project, the following criteria may be kept in mind:-

- a. Common benefit of the region,
- b. Acceptability as a regional project.
- c. Viability and applicability,
- d. Economy and cost effectiveness,
- e. Compatibility with international standards & requirements, and
- f. Availability of resources.

15. Once a proposal has been made, the main processing activity consists of deciding whether the proposal merits a preliminary study. This decision would be made in the Council of Permanent Representatives or Regional Planning Council in accordance with the decision-making rules of the Organization.

(iii) Pre-feasibility Study:

16. This study is meant to explore the problem, consider the alternative ways of resolving it, and to provide indicative estimates of costs and benefits of the various alternatives. The study is also expected to recommend a course of action so that a proper feasibility study may be undertaken. Sometimes, the preparation

of the terms of reference for the full study is a part of the requirement of the pre-feasibility study.

17. Principle of expression of interest by the RPC or CPR shall be sufficient in order to initiate a preliminary review for any proposed ECO project. No projects shall be discussed in the Council of Ministers before a techno-economic feasibility study is completed.

18. There shall be an ECO Feasibility and General Purpose Fund (FGPF) to cover the cost of pre-feasibility, feasibility and analytical studies and other activities relating to regional projects as well as for extra-ordinary cases. The ECO FGPF will be financed from relevant Head of Account of the ECO budget as well as other sources, such as voluntary contributions of member states, execution charge, grants, etc. Member states, other international organizations, and partners can also be invited to co-finance the Fund.

19. Once a decision has been made to undertake a preliminary study for the project, further processing would require the following steps:-

(a) terms of reference for a pre-feasibility study shall be prepared by the Secretariat and approved by the CPR,

(b) an amount (usually small) shall be allocated for a prefeasibility study by the CPR, and

(c) a consultant or expert(s) is to be proposed by the Secretary General and approved by the Council of Permanent Representatives to undertake the study.

20. Accordingly, Secretary General shall take immediate action to commission a pre-feasibility study on the project by appropriating resources out of the ECO Feasibility and General Purpose Fund. Such studies shall be carried out by professional regional experts and consultants included in ECO's roster. The Secretary General shall prepare the roster in consultation with member governments and also prepare technical, administrative and financial regulations to govern awarding of contracts and their work. Both the roster and the regulations shall be approved by the Council of Permanent Representatives.

21. Once ready, the pre-feasibility reports shall be considered by the Secretariat or ad-hoc technical committee, if such a committee is established for this purpose. Final assessment on projects in light of the pre-feasibility studies shall be made by the CPR.

22. Once CPR reaches a favourable decision on a project based on the pre-feasibility report, more funds may be required to undertake the full feasibility study. At that stage, consultant(s) shall be selected by the CPR on the proposal of the Secretary General. If terms of reference were not prepared at the pre-feasibility study stage, they shall be prepared when the approval for the study is obtained.

23. If there are no alternatives to be examined, the stage of pre-feasibility may be skipped and the CPR may recommend going directly from an accepted identified project to a full feasibility study.

(iv) Feasibility Study:

24. This is a comprehensive study that should include the following:

- (i) . Rationale of the Project.
- (ii) . Its technical, economic, financial, commercial, social and environmental feasibility.
- (iii) . The resources (inputs) required, their procurement and scheduling.
- (iv) . The outputs to be produced over time, their financial and economic value.
- (v) . The side effects (beneficial and harmful), and the risks of project failure.
- (vi) . The arrangements for the financing of the project.
- (vii) . Sensitivity analysis.
- (viii). An Implementation Plan comprising the organizational set-up, the legal requirements for undertaking the activities and schedule for various activities.

25. Any study that does not have the applicable features of these requirements would not usually be considered a proper feasibility study. It would not be very useful to take decisions on the basis of inadequate studies. Final decision to undertake feasibility studies will be made by the RPC on the recommendation of

the CPR. Other procedures including appropriation of funds shall be the same as for pre-feasibility studies.

26. When a feasibility study is received, its examinations through CPR should involve the following decisions:

- (a) whether the study has been done adequately,
- (b) whether there are further questions to be addressed.

(v) Approval of Project:

27. (a) On the basis of the feasibility study, the project under consideration is either rejected or recommended by RPC to the Council of Ministers for final approval. The decision of approval is taken in conformity with the Chapter VIII para 36 of the Rules of Procedure of ECO.

(b) The Council of Ministers, when necessary, may delegate authority to the CPR to consider and approve projects on its behalf with a view to expediting the process of implementation.

(vi) Implementation, Financing and Monitoring of the Project:

28. If the project is approved, the following steps are to be taken by the CPR:-

- (a) A project organization is formed, staff recruited, contractors selected and responsibilities for project implementation determined,
- (b) Budgetary allocations are made,
- (c) Possibility of regional financing including resources from ECO Trade & Development Bank shall be explored,
- (d) Procurement processes are initiated to acquire the preliminaries to the project -- land, equipment etc.,
- (e) The implementation plan prepared at the feasibility stage is reviewed and changed, if necessary, and
- (f) Arrangements are made for supervision of the project and for progress reporting.

29. Implementation of most ECO projects which are located in the territory of member states may be included in the national plans of that state on priority basis. For joint projects, the concerned member governments may allocate resources in appropriate ratio. For large scale projects requiring external financing in the form

of credits and loans, once all project documents and technical preparations are in place, the Secretary General along with sponsoring and participating governments may approach international financing institutions and credit organizations to facilitate the institution of financial arrangements for the implementation of projects.

30. The progress in the implementation of the project shall be monitored by the Secretariat and reported to the CPR. Once the implementation phase is started, the Secretariat shall undertake coordination among participating member states, monitoring the progress of implementation and acting as a channel of communication between the implementation bodies and executive organs of ECO. The Member States may assign designated representative(s) from one or a group of member governments as project coordinator or establish special technical units or bodies to implement the agreed projects and monitor the progress of work. The Secretary General shall include in his annual report to the RPC and the Council of Ministers a detailed progress report on each of the on-going projects.

30.1. In compliance with para 21 and 30, with the aim to streamline project monitoring, implementation and replenishment of the FGPF at sustainable level, a Project Monitoring Unit shall be established within the Secretariat to act according to the Terms of Reference (TOR) for the Projects, which will be approved by CPR (Annex No.1)

30.2. To harmonize internationally the criteria for recruitment of consultants and evaluate their performance, the Terms of Reference for Recruitment of Consultants shall be followed (Annex No.2)

30.3. The Secretariat shall, in line with the relevant modalities to be adopted by CPR, circulate the details of a project to the member states and, if it does not receive any objection within the period of three months, will implement it.

(vii) Evaluation of Projects:

31. This can be done during the course of the implementation of the project or on the completion of the project. Evaluation is undertaken to know if the project results have been or are likely to be attained and to learn from lessons of experience in the implementation of projects. The CPR shall periodically evaluate the on-going project in all its aspects and its recommendations shall be included in the Secretary General's report to the RPC and the Council of Ministers.

(C) Management and Appointment of Staff of ECO Institutions:

32. The management of agreed ECO institutions shall be conducted in accordance with their respective constitutions and/or mutually agreed arrangements. In the appointment of staff in such institutions, the paramount consideration shall be the necessity of securing the highest standard of efficiency, professional experience and competence. To the extent compatible with this requirement, every endeavour shall be made to provide for a fair distribution of all appointments among the nationals of signatory Member States. For the first term, the duration of which may be determined either as part of the constitution of the institution or determined by the Council of Ministers, the post of Chief Executive shall be filled in by a national of the Member State hosting the concerned ECO institution unless otherwise agreed upon.

33. ECO institutions with specialized mandate in educational, social, scientific and cultural fields such as ECO Science Foundation and ECO Cultural Institute, shall be primarily responsible for overall implementation of agreed projects in their respective areas in coordination with the relevant directorate of the Secretariat.

III- COOPERATION WITH OTHER REGIONAL/ INTERNATIONAL ORGANIZATIONS

34. In accordance with Article-XIV of the Treaty of Izmir, ECO may establish cooperative relationships with other regional or international organizations, states and institutions. The nature and extent of such collaboration shall be determined by the Council of Ministers or on its behalf by the CPR by a unanimous vote.

35. Any contact as well as correspondence of substantive nature by the Secretariat with a regional or international organization/state/institution regarding cooperative relationship or participation in each other's activities shall require prior approval of the Council of Ministers or the Council of Permanent Representatives acting on its behalf. In any case, while determining the nature and extent of collaboration with any foreign entity, economic aspects and priorities of ECO as well as the need for mutuality of benefit shall be a determining factor.

36. The Secretary General shall secure representation /participation of ECO Secretariat in relevant activities and meetings of those regional and international organizations with which ECO enjoys institutionalized cooperative relationships.

37. Regarding the projects fulfilling the aforementioned criteria to be carried out/executed with collaboration/ participation of international/regional organizations with which ECO maintains institutional or working relationship,

the Council of Permanent Representatives (CPR) may authorize the Secretary General to undertake financial commitments from ECO Feasibility and General Purpose Fund up to a limit of 20% of the total cost of the project subject to the maximum of \$ 50,000 with the prior approval of the CPR in each case.”

Principles/Guidelines Governing the Attendance of ECO Secretariat in the Meetings/Events

- In accordance with Article 9 of Izmir Treaty, one of the main duties of the Secretariat is to service the meetings of the organization.
- Furthermore, based on the ECO Rules of Procedures under the section entitled “Overall Responsibilities and Functions”, the Secretariat should provide technical and administrative services to all meetings and activities of the organization and help the preparation of the reports and documents.
- Chapter VI of the Rules of Procedures which specifically deals with the representation of the Secretariat in the meetings, instructs the Secretary General or his/her designated representative to attend all meetings of the organization, to make oral or written statements and to offer clarification upon request. This chapter further indicates that the Secretary General shall represent the organization in external relations. He may also designate members of the staff to represent the organization in international meetings.

To follow the above procedure and in order to ensure an effective and fruitful participation of the Secretariat in the meetings of the organization and those within the external relations of the Secretariat, the following principles/guidelines will be adopted. The Secretariat shall observe them while attending meetings:

1. Participation of the Secretariat in various meetings of the organization from the quantity and quality point of view, should be logical, and well calculated so that the aim of providing necessary services for the meeting will be achieved.
2. For the meetings outside the headquarters of the Secretariat, it should try to secure the maximum services from the host country.
3. Level of participation of the Secretariat in various meetings of the organizations and those related to its external relations, should be relevant to the topics of discussion and comparable to the level of participation of member states and other participants.
4. Participation of the Secretary General in the summits and meetings of the principal organs of ECO (COM, RPC, CPR) shall be regulated in accordance with the provisions of the basic documents.
5. While attending the meetings/events outside the headquarters, the Secretariat should not be left, under any circumstances, without the presence of

at least one of its senior directing staff (Secretary General and Deputy Secretaries General) at the premises.

6. The Secretariat may allocate a maximum of 30% of the calendar of events of the organization to the meetings/events relating to its external relations, provided that exact date and venue of such meetings will be mentioned in the calendar and participation of the Secretariat would be upon invitation or to pursue specific cooperation/programmes

7. To the extent possible, the Secretariat should avoid to participate (at any level) in the meetings/events outside the headquarters, which are not reflected in the calendar of events. If needed, the Secretariat shall inform CPR well in advance and provide necessary justification for attending such meeting, in order to seek the Council's approval. In any case, the number of such events should not be more than 5% of total events/meetings in the calendar.

The Secretariat shall circulate the outcome of attending events/meetings to the member states in written, along with its practical recommendations and followup measures. Briefing of events/meetings will be submitted to CPR meeting.

Modalities for the Utilization of ECO Special Support Fund ¹

- i. The amount allocated for Special Support Fund would be approved by the CPR as a part of the annual budget of ECO Secretariat.
- ii. The CPR shall approve the meetings, which would utilize the Fund for their participants in advance. Every year, the Secretariat after the RPC (Regional Planning Council) meeting will propose a list of meetings from amongst the Annual ECO Calendar of Meetings/Events and submit it to the CPR for its approval. The use of SSF shall be limited to meetings in the main priority areas, i.e. Trade, Transport & Energy. Priority shall be given to Trade related meetings. However, other important areas to be proposed may also be given priority. To the extent possible, workshops, training courses etc. which do not involve decision making will not be included in the list. Furthermore, the Council of Ministers (COM) Meeting, Senior Officials Meeting (SOM), Regional Planning Council (RPC) Meeting, Sectoral Ministerial Meetings and their related SOMs shall not use the Fund.
- iii. The SS Fund may be utilized by the ECO Secretariat for round trip air ticket (least expensive economy class) expenses up to US\$900/- for one participant from all Member States of ECO.²
- iv. Those member states that are in the arrears of their assessed contribution to the ECO budget for more than two years will not be entitled to utilize SSF.
- v. The Secretary General is authorized in exceptional cases, to pay up to US\$1,200/to one participant each from a maximum of three Member States for each meeting who have to pay more due to higher cost of air ticket or non-availability of direct connecting flights to the venue.³
- vi. If so required due to unexpected developments within the subject year, the Secretariat may submit a revised list to CPR for re-approval.

¹ Approved by 111th CPR Meeting on 10th April 2006

² Amended and approved by the 160th meeting of CPR on 28 June, 2010, on behalf of the COM.

³ Amended and approved by the 160th meeting of CPR on 28 June, 2010, on behalf of the COM.

Modalities for ECO Awards⁴

The objective of the ECO Awards was to reward outstanding research work and/or achievement from the Member States in the fields which should preferably have regional character with special emphasis on the contribution to the ECO's goals and objectives. The ECO biennial Awards are granted on the occasion of ECO Summit Meetings to the winners nominated by the member states. The ECO Awards Selection Committee comprising experts of each member state selects the candidates for the awards nominated by the member states.

A meeting of ECO Awards Committee was held at the ECO Secretariat in November 2007 to finalize the modalities of ECO Awards. According to the Modalities, approved by the 8th Meeting of ECO Council of Ministers in May 1998 in Almaty, the awards are given in the fields of:

- a. Economics,
- b. History, culture, literature and fine arts, c. Science and Technology, d. Education, and
- e. Agriculture and Environment.

A copy of the Modalities of ECO Awards is placed below.

A) ECO Awards Selection Committee

The Selection Committee of ECO Awards will comprise authorized experts from each Member State. Each member state shall have the right to only one vote. The ECO Secretary General will be ex-officio Member of the Selection Committee and will have the right to vote.

The Selection Committee shall meet biennially upon the invitation of the ECO Secretariat and select one candidate - winner for the award in each of the five fields as listed in para (B) below, from the nominees proposed by the Member States. At least one month before the meeting the Secretariat shall circulate among the Member States working papers for the Meeting including detailed information on the nominees.

Selection shall be made by the principle of two-third majority of the total number of the Selection Committee.

The said Committee will elect its Chairman during the meeting.

⁴ Adopted by 8th COM on 9 May 1998, Almaty - Kazakhstan

B) Fields of Excellence

The awards shall be given for outstanding research work and/or achievement in the following fields which should preferably have regional character with special emphasize on the contribution to the ECO's goals and objectives:

- 1- Economics
- 2- History, Culture, Literature and Fine Arts
- 3- Science and Technology
- 4- Education
- 5- Agriculture and Environment.

The representative of Azerbaijan Republic stated that the studies in economic geography shall be considered under the field of Excellence "Economics".

C) Value of Awards and Frequency

Cash awards of US \$ 7500 (Seven thousand five hundred US Dollars) for each field of Excellence, along with a medallion shall be given biennially for outstanding performance in the specified fields.

The frequency of granting ECO Awards was agreed to be biennial, however, this frequency may be revised by the Selection Committee after an initial period of two or three rounds.

D) Nomination

Each Member State may furnish to the ECO Secretariat up to 5 nominations, one for each of the above mentioned fields of excellence along with justification including bio-data/curriculum vitae and list/copies of complete works of each nominee. An [Award Nomination Form](#) shall be devised and forwarded to the Member States along with the initial notice for the selection of nominees given them sufficient time to circulate the information and invite nominations from their relevant institutions, organizations, individuals etc. in the respective fields.

In order to alleviate the work of the Selection Committee, the list of nominees in the fields No. 2, 3 and 4 may be forwarded to the relevant ECO institutions to receive their views and the preference order so that Selection Committee may take into consideration those views in the selection process.

E) Final Decision

The names and particulars of the candidates selected by the Award Committee will be submitted to the Council of Permanent Representatives (CPR) for its consideration and inclusion in the agenda of the Council of Ministers for its approval. Thereafter, the Secretariat will announce the winners.

F) Award Ceremony

The ECO Awards shall be given in a ceremony during the ECO Summit Meetings. The Presidents of the relevant ECO Institutes/Foundations may be invited to the ceremony.

Modalities for Designation of coordinators for Implementation of Important Projects⁵

During his statement to the 14th Meeting of the Council of Ministers (COM) held in Dushanbe, Republic of Tajikistan, in September 2004, the Secretary General put forward the idea of designating member states as coordinators for important projects/agreements to facilitate the implementation of these projects/agreements and also to keep an eye on the proper development of the implementation process. While appreciating the proposal, the COM asked the Council of Permanent Representatives (CPR) to work out the details of the subject.

94th CPR meeting held in December 2004 took note of the decision of the 15th COM with regard to the aforesaid recommendations of the Secretary General and assigned the task to the Working Group to deliberate and prepare the proposal and modalities on the subject.

The Working Group deliberated the issue at length and prepared a proposal containing background of the important projects/agreements and also drafted Terms of Reference for designation of coordinators as a mechanism to facilitate the implementation of the projects/agreements and also to keep the eye on the proper development of the implementation process, each member states, on a voluntary basis, may be chosen as the coordinator to guide the operationalization and implementation of the selected projects which are as follows:

1. ECO Trade Agreement (ECOTA)
2. Transit Transport Framework Agreement (TTFA)
3. Feasibility Study on Interconnection of ECO Countries Power Systems funded by the Islamic Development Bank
4. ECO Trade and Development Bank & Reinsurance Company
5. Container and Passenger Trains from Almaty to Istanbul on the Trans-Asian Railway main line
6. Agreement on Simplification of Visa Procedures for the Businessmen of ECO Member States

97th CPR meeting held in April 2005 adopted the Terms of Reference, as prepared by the Working Group, a copy of the text is placed below.

The coordinating country shall render all its efforts, technical, financial and especially diplomatic assistance to provide the ground for the speedy

⁵ Adopted by 90th CPR meeting held in April 2005

approval/ratification and implementation of the selected projects. The Secretariat, of course, will be the main focal point for coordination among the member states for

implementation of ECO projects/programmes, but it was expected that coordinating country through its different kinds of assistance would enhance the capacity of the Secretariat in discharging its duties. Some of the main functions and activities, which may be conducted by the coordinator country to discharge its responsibilities, are provided in the attached Terms of Reference.

Terms of Reference (ToR)
for
Coordinators from the Member States
for implementation of the projects in the priority areas

(Adopted by the 97th CPR Meeting held on April 5, 2005)

After a decade of its expansion, the Economic Cooperation Organization (ECO) is now entering a challenging round where it is expected to ensure implementation of its agreed plans and projects. In view of the limited resources at its disposal, the ECO Secretariat cannot attain this task alone without the active participation and support of the Member States. In order to ensure the proper follow-up and approved/ratification/implementation of the vital projects, it is proposed that each interested Member State may be selected as a Coordinator for the important priority project(s). The Terms of Reference for the coordinator countries are as follows:

1. Member State will be designated as a coordinator country for a selected project on a voluntary basis upon the approval of CPR/sOm for a limited period.
2. Coordinator country through its Permanent Representative will present an Action Plan for its relevant activities and programmes to operationalize the project within three months after designation and regularly report to CPR/SOM about its achievements and will seek the consultation and consent of both organs, whenever needed. The coordinator country may also apprise the Council of Ministers meeting about the status of the implementation of the selected project in the statement of its head of delegation and seek the support and advice of the Council of Ministers for further steps to be taken.
3. In order to prepare a workable Action Plan, a coordinator country may propose a feasibility study (ies) to CPR for financing from the ECO Feasibility Fund. ⁶ assumed that the coordinator country will assist the Secretariat and relevant Directorate to achieve the desired goal.
5. Coordinator country will assist the Secretariat in particular by hosting the relevant meetings/events related to the project and will help in attaining the

6 Coordinator country will establish working relations with the concerned Directorate in ECO Secretariat for receiving the up dated information and any other relevant documents/materials with regard to selected project, taking into account the provision of the Staff Regulations and other documents governing the functioning of the Secretariat. It is, therefore,

required level of quorum and effective participation of member states in such meetings/events through their diplomatic missions in the ECO Member States.

6. With the help of their relevant research and educational institutions/organizations, the coordinator may prepare practical and policy-oriented research paper with regard to the relevant project, if required.

7. Through its formal and informal bilateral high level contacts with other ECO Member States, coordinator country will pursue the set goal which may include the fast-track implementation of the relevant project.

8. Coordinator country may propose, if necessary, dispatching diplomatic mission to the member states who are partner of the relevant project. Such mission will comprise of a high-ranking official each from the coordinator country and rotating Chairman of the Council of Ministers as well as the Secretary General or one of his Deputies. The mission will hold negotiations with the concerned high-ranking officials of the member states to remove any obstacles in the way of implementation of the project.

9. Coordinator provides consultancy, whenever is needed from its relevant ministries or other concerned organization, to the Secretariat in the context of related project for limited time.

10. The coordinator country will assist the Secretariat in its efforts to receive technical or financial assistance from International Organizations and International Financial Institutions which is required for implementation of the selected project.

11. Coordinator may assist the Secretariat by ensuring adequate publicity for the relevant project with the assistance of the local media and news agencies, etc.

12. Once a project has reached the stage of full-fledged implementation and operationalization, the responsibilities of the coordinator country will automatically be terminated.

Modalities for the Establishment of Regional Centres and Specialized Units and Grant of Affiliation to Non-ECO Bodies and Organizations⁷

Definitions:

1. Regional Centres

Any Specialized Institution, Agency, Body of the ECO, having its own Charter, Rules of Procedure and a well defined Sphere of Activity and Autonomy.

2. Specialized Units

Unit established for a specific purpose to function within the Organizational Structure and under supervision of the Secretariat, for a specified period of time.

3. Affiliated Bodies

Any Independent Public or Private Sector Organization, Institution, Agency or Body, having its own Governing document, Rules and Regulations, a well defined Sphere of Activity and Autonomy granted Affiliation by the ECO.

PART-I

Modalities for Establishment and Categorization of ECO Regional Centres

ECO Regional Centres are classified into two categories:

Category A:

Those agencies, which are already operational or whose charter has been under negotiations for some time, and for which contribution either is being made by member states, or would be made in future. These agencies are at the core of ECO's agenda.

For such institutions, the cost of establishing the centre (capital expenditure, including building, etc.) should be borne by the host countries, while cost of running the institution (day to day expenses as well as programmes and activities) should be borne by member states which sign up to its charter according to the formula finalized through negotiations.

Category B:

⁷ As Endorsed by 19th RPC and approved by 145th CPR as authorized by the 17th COM - Herat, 20th October, 2007

Those agencies that are not central to the Organization's core objectives. Their establishment may be governed by the modalities prepared by the ECO Secretariat (annex-I). A member state may propose to establish a centre, or have a centre already established linked to ECO by adhering to these modalities.

PART II

Modalities for the Establishment of Specialized Units

Specialized Units may be established with approval of the COM or CPR, when the Secretariat or a Member State(s) believe that there is important or highly technical issue which requires regional coordination and cooperation.

Specialized Units will be established on the premises of the Secretariat and will work under the supervision of the Secretariat (the ECO regulations like Staff Regulation or Rules of Procedure would be applicable to the units).

Specialized Units will be project oriented entities and will serve as operational arms of the Secretariat for implementation of Special and High Priority programmes and projects.

A Specialized Unit may be discontinued/abolished upon completion of a project or after a fixed period of time or may be expanded/converted/elevated to a regional institution or specialized agency if the activity pursued by it gains a sustainable momentum and proves beneficial for the region.

Recruitment of staff for manning a Specialized Unit maybe considered and decided upon by CPR on case to case basis.

PART III

Modalities for Granting Affiliation to Non ECO Bodies and Organizations

The ECO may grant Affiliation to any Organization, Body or Institution both in public and private sectors, that may wish to affiliate with ECO, or with which ECO Secretariat may wish to establish linkages.

Affiliation may be granted subject to the condition that it will only entail financial commitments that can be met from the ECO Secretariat/Institute concerned, purely on voluntary basis.

Affiliation may be granted upon submission of a simple application by the institution to ECO Secretariat, to be approved by the Council of Permanent Representatives.

Revised Terms of Reference of The Contact Group of ECO Ambassadors at Various Regional/ International Fora Where Economic Issues Are Discussed⁸

With an objective to support ECO's efforts in the sphere of external relations and to enhance its visibility, Contact Groups of ECO Ambassadors/Permanent Representatives shall be reactivated/established at various important international/regional fora where economic issues are discussed. Such a Contact Group may be reactivated/established in first stage among the Permanent Representatives/the Ambassadors of the Member States to UN in New York, WTO and UNCTAD in Geneva, UNIDO in Vienna, ESCAP in Bangkok, FAO in Rome, OIC and IDB in Jeddah. The Terms of Reference of the Contact Group shall be as follows:

1. The Contact Group while being consultative in nature, shall endeavor to:
 - a. Harmonize the positions of ECO Member States on important economic issues of common interest in the UN and other Regional/International Organizations
 - b. Mobilize financial and technical assistance for implementation of ECO's regional projects.
2. The Contact Group shall meet informally and conduct its work on ad-hoc basis.
3. The Contact Group shall meet under the Chairmanship of the country holding Chairmanship of the Council of Ministers (COM). The agenda of the Contact Group meetings shall be confined to:
 - i.) Economic issues concerning the ECO Region.
 - ii.) ECO's project-proposals on which technical/financial support of International/regional organization is required.

The said agenda may be prepared by the Chairman of the Group in consultation with other members of the Group and the ECO Secretariat. The Council of Permanent Representatives (CPR) through the ECO Secretariat may also suggest item/items to be included in the agenda of the said group.

4. The Contact Group may inform the CPR through the Secretariat about the outcome of its meetings. This information will be included in the agenda of the

⁸ As approved by the 19th COM (22nd Dec, 2010-Istanbul)

CPR for the kind attention of the Permanent Representatives for follow-up action, if so required.

5. After approval of CPR/COM, the respected Foreign Ministries of the ECO Member States will send the necessary instructions to their Permanent Representatives/Ambassadors in New York, Geneva, Vienna, Bangkok, Rome and Jeddah for the reactivation/establishment of such groups. The Secretary

General of ECO will follow-up the matter through the respective Chairman of the Contact Group.

6. The CPR shall periodically consider the list of Contact Groups mentioned in para 5 above, with the view to enlarge it, if required.

ECO Modalities for Granting Observer and Dialogue Partnership Status at Economic Cooperation Organization (ECO)⁹

I Preamble

The “Modalities for Granting Observer and Dialogue Partnership Status at the Economic Cooperation Organization (ECO)” hereinafter referred to as "Modalities", are being drawn up in accordance with article XIV of the Treaty of Izmir which inter alia, provides for:

“The Organization may grant observer or dialogue partnership status to other Regional or International Organizations, States and Institutions. The nature and extent of such Status shall be determined by the Council of Ministers by a unanimous vote.”

II Scope and Definitions

a) Observer Status:

2. Observer Status means entitlement conferred upon Regional or International Organizations, States and Institutions whose activities are relevant to and in harmony with ECO’s principles and objectives as laid down in the Treaty of Izmir and other Basic documents of the ECO, to send observers, upon invitation, to those meetings of the ECO which are envisaged in section IV (a) of these Modalities.

b) Dialogue Partnership Status:

3. Dialogue partnership is a form of an institutional consultative relationship as stipulated in the Article XIV-5 of the Treaty of Izmir to initiate, promote and facilitate productive cooperation in areas of mutual interest especially through implementation of the ECO’s projects and programmes aimed at achieving its goals and objectives. This status can be granted to Regional and International Organizations, States and Institutions that share the objectives and principles of the ECO, for cooperation in certain agreed areas of common interest to be identified in a Memorandum of Understanding (MoU) or Cooperative Partnership Agreement¹ .

III Criteria

⁹ As approved by the 20th COM (15 Oct, 2012, Baku)

¹ An MoU and/or agreement to be entered into by ECO in the sphere of external relations shall be in line with the approved ‘ECO Modalities for signing agreements with Regional and International Organizations, States and Institutions.

4. The Observer/Dialogue Partnership Status may be granted based on the following criteria:

- a) . Commitment to regional and international economic cooperation.
- b) . Commitment to promote socio-economic development in the ECO region.
- c) . Commitment to respect Treaty of Izmir and other ECO's Basic documents
- d) . Harmony with the principles of ECO cooperation.
- e) . Potential to contribute to ECO's goals and objectives.

IV Rights and Obligations

a) Observer Status

5. An Observer may be invited to attend, without the right to vote, the inaugural and the closing ceremonies of the ECO meetings of Heads of State, Council of Ministers (COM), Regional Planning Council (RPC), and sectoral ministerial or high-level meetings upon invitation by the ECO Secretariat with prior consensus to be reached at the CPR, provided that remaining members choose to abstain and/or are not against the decision.

6. An Observer may also be invited to be present, with special permission of the ECO Council of Permanent Representatives (CPR), and without the right to vote, in meetings of restricted nature or part of a closed meeting of decision making organs and sectoral meetings during which any proposal or project involving mutual cooperation with the observer is to be discussed.

7. An Observer attending the above mentioned meetings of the ECO may be authorized by the Chairperson to:

- (a) address the meeting on a matter of mutual interest of ECO.
- (b) participate in the discussions of technical nature.
- (c) circulate/submit written statements and/or informative reports on particular item of the agenda concerning mutual cooperation.
- (d) reply to questions directly addressed to them in a meeting.

8. An observer may participate in ECO's specific projects and programmes subject to the approval of the CPR and invitation of the ECO Secretariat.

9. An Observer shall not have the right to participate in the preparation of the documents and signing ceremonies. An Observer shall also not have the right to participate in decision making process of ECO bodies.

10. An observer may gain access to the documents and decisions of the decisionmaking bodies of the ECO and of its relevant institutions (Specialized Agencies/Regional Institutions/Affiliated Bodies) provided that those documents and decisions do not impose any restrictions on their circulation/dissemination and deal with matters of interest to the observer concerned.

11. The level of representation of observers must correspond to the level of representation of the ECO Member States in the meetings to which they are invited.

b) Dialogue Partnership Status:

12. Dialogue Partner may be invited to attend, without the right to vote, the inaugural and closing ceremonies of the ECO meetings of Heads of State, Council of Ministers (COM), Regional Planning Council (RPC) and sectoral, ministerial or high level meetings of ECO upon invitation by the ECO Secretariat.

13. Dialogue Partner may also be invited, with special permission of the CPR, and without the right to vote, in meetings of restricted nature or part of a closed meeting of decision making organs during which any proposal or project involving mutual cooperation with the Dialogue Partner concerned is to be considered.

14. Dialogue Partner may be invited to participate, subject to relevance and without the right to vote, in conferences, seminars, workshops and technical or expert level meetings organized or sponsored by ECO.

15. Dialogue partner may also be invited to hold joint meetings with the ECO at different levels to discuss proposals or projects involving mutual cooperation in the areas identified in the MoU or Cooperation Partnership Agreement.

16. Dialogue Partner may enter into cooperation with ECO in following manner.

a) . Exchange of information and documents of mutual interest.

b) . Participation in the relevant meetings/ activities/projects/programs of each other.

c) . Technical cooperation and consultation in the agreed areas of relevance for the

advancement of the common goals and objectives.

d) . Technology transfer to ECO.

e) . Development of joint projects/programs and activities with ECO.

f) . Financial cooperation as agreed through mutual consultations by the two sides.

17. Details of scope and modalities of cooperation will be concluded in a MOU or Cooperation Partnership Agreement to be approved by the COM.

18. Dialogue Partner may gain access to the documents and decisions of the ECO and its relevant institutions (Specialized Agencies/Regional Institutions/Affiliated Bodies), provided that those documents and decisions do not impose any restrictions on their circulation and that are relevant to the dialogue partner concerned.

V Procedure for Applications and Decision Making

19. Any Regional and International Organization, State and Institution that intends to obtain observer/dialogue partnership status at ECO shall make a formal application/forward a letter signed by Minister of Foreign Affairs of a State or a head of Organization or Institution, as the case may be, to the ECO Secretary General providing the following information:

a) Kind of status requested (observer or dialogue partnership).

b) Specific reasons justifying such an application.

c) Identifying proposed areas in which an applicant can contribute to ECO's progress.

d) Expressing commitment to respect the Treaty of Izmir, and other Basic Documents of ECO.

20. Upon receipt of application for Observer or Dialogue Partnership status, the Secretary General shall include the request in the agenda of the CPR for consideration. Decision on granting observer and dialogue partnership status will be subject to unanimous recommendation of the CPR and approval of the COM on the basis of unanimity.

21. Dialogue Partner shall not have the right to participate in the preparation of the documents and signing ceremonies. Dialogue Partner shall also not have the right to participate in decision making process of ECO bodies.

22. The ECO Secretariat shall inform the concerned party of the decision of the COM and, in case of positive decision, immediately proceed with the appropriate follow up measures envisaged in Article VI of these Modalities.

23. As regards those Regional and International organizations, States and Institutions with which the ECO has already entered into specific arrangements for cooperation in the form of MoU/Agreement, the ECO Secretariat may recommend grant of observer/dialogue partnership status to them through mutual consultation and in compliance with these Modalities and respective MoU/Agreement. In this regard, final decision on the recommendation of the Secretariat will be taken by CPR on behalf of the COM.

VI Institutional Follow-up mechanism

24. In case of dialogue partnership status, an institutional follow-up mechanism shall be established at appropriate levels to promote and keep under review various cooperative activities envisaged between the parties. Details of such mechanism shall be determined in the MoU/Cooperative Partnership Agreement.

25. The Secretariat shall submit review reports on annual basis to the CPR on the progress of cooperation with ECO Observers and Dialogue Partners.

26. An MoU/ Cooperative Partnership Agreement shall be signed between the ECO Secretary General and Executive Head of relevant regional/international organizations and institutions in accordance with the approved ECO Modalities for Signing Agreements with Regional and International Organizations States and Institution. In the case of States (non-ECO countries), it shall be signed between ECO Secretary General and the Foreign Minister concerned.

VII General Provisions

a) Duration:

27. Observer/Dialogue Partnership status shall be granted for an initial period of 3 years. It may be renewed for 3-year periods upon receipt of a request from Regional & International Organizations/States/Institutions to continue their observer/dialogue partnership status, and keeping in view the progress made by ECO in promoting mutually beneficial cooperation with the concerned partner.

b) Entry into force:

28. Grant of Observer or Dialogue Partnership status shall enter into force immediately after the approval of the COM.

c) Financial Obligations:

29. The ECO Secretariat shall not assume any financial obligations resulting from participation of Observer/Dialogue Partner in the meetings to which they may be invited.

d) Suspension and withdrawal:

30. Observer/Dialogue Partnership status shall come to an end upon the written withdrawal notification of the concerned party in question for withdrawal. The Secretary General would inform the CPR/COM accordingly.

31. Observer/Dialogue Partnership status may be suspended or terminated by the decision of the COM.

e) Amendments:

32. The Member States and/or the Secretariat may propose any amendments to these Modalities, which will be subject to the final approval of the COM.

33. These Modalities, after approval by the COM, shall be made part of the ECO Secretariat's compendium entitled "ECO's Modalities and Guidelines".

ECO Modalities for signing Agreements with Regional and International Organizations, States and Institutions¹

1

I. Introduction

1. The present Modalities has been prepared by the Secretariat in pursuance of the decision of the 21st Regional Planning Council (RPC) Meeting (May 17-19, 2011- Tehran) as contained in Para 312 of its Report.

II. Scope

2. These Modalities sets forth procedure and formalities to be followed by ECO whilst entering into an agreement¹ for mutually beneficial cooperative relations with other Regional and International Organizations, States and Institutions, in keeping with the Articles II (m) and XIV (4) of the Treaty of Izmir. These Modalities are aimed at streamlining ECO's current procedure/practice with regard to initiating, signing and implementation/follow-up on the agreements in the sphere of external relations.

III. Objectives

3. In general, an agreement to be concluded by ECO provides a basis for mutually beneficial cooperation with other Regional and International Organizations, States and Institutions through, inter alia, exchange of information, preparation, implementation and coordination of joint activities/projects/programmes in areas of common interest, and reciprocal representation in relevant meetings. It shall, in the main, aim at furthering following ECO objectives as identified in the 'Comprehensive Plan of Action-Enhancing ECO's External Relations'¹ :

3

- i) Enhance ECO's stature among regional and international organizations.
- ii) Secure assistance, technical and financial both, especially in the priority areas of ECO activities

¹ As approved by the 20th COM (15 Oct, 2012, Baku)

¹ - An agreement to be concluded by ECO can take, inter-alia, such forms as Memorandum of Understanding (MoU), Partnership/Relationship Agreement and Letter of Agreement as have been used previously by the ECO with other Regional and International Organizations, States and Institutions.

¹ - The Comprehensive Plan of Action was approved by the 151st meeting of the Council of Permanent Representatives (CPR) held on 4 August, 2009 at the Secretariat.

- iii) Reciprocate the support and cooperation of regional peers and partners, and contribute to common goals and objectives in the region
- iv) Lend support, to the extent possible, to the economic objectives of the ECO Member States which, in turn, supplement ECO's efforts for regional integration
- v) Improve the efficiency of the ECO Secretariat by adopting the best practices in regional cooperation.

IV. Criteria

4. The following criteria must be fulfilled by the prospective partner with which ECO intends to enter into an agreement:

- i) Shall be involved in promoting socio-economic development.
- ii) Have potential and willingness to make result-oriented and meaningful contributions towards realization of ECO's mandate/common ideals in conformity with the principles of the Treaty of Izmir.

V. Procedure

i) Preparation of a Comprehensive Proposal/Background Paper

5. When ECO intends to enter into an agreement with any Regional or International Organization, State or Institution, as a first step, the Secretariat shall prepare a Comprehensive Proposal/Background Paper containing inter- alia, the following information, for consideration of the Member States:

- i) Name of the Organization/State/Institution,
- ii) Address of the Headquarters,
- iii) Charter/Statute¹ , **4**
- iv) Brief background history, Overview of activities/key Objectives,
- v) Membership and Organizational structure*,
- vi) Brief overview of cooperative relations of the prospective partner under question with other Regional/International organizations including ECO, States and Institutions, if any,
- vii) Potential benefits for ECO along with possible area (s) of cooperation.

1 Only in case of Organization~~4~~and/or Institution.

viii) Expected Outline of Plan of Action/Work Programme to be implemented by ECO in collaboration with the prospective partner.

6. In order for the Secretariat to prepare such a Comprehensive Proposal/Background Paper, the Secretary-General is authorized, if required, to undertake preliminary consultations with the prospective partner. In preparation of a Comprehensive Proposal, the Secretariat will ensure proper coordination and consultation within the Secretariat.

ii) Consent of the Member States

7. Once the Comprehensive Proposal has been prepared by the Secretariat and endorsed by the Secretary-General, it shall be circulated to the Member States for their comments as well as to seek authorization of the Council of Permanent Representatives (CPR) to enter into negotiations with the partner identified in the proposal in order to work out a draft agreement for mutually beneficial cooperation.

iii) Negotiations on draft Agreement

8. Upon approval of the CPR, the Secretary-General may authorize the Deputy-Secretary-General (DSG) in-charge of international relations to initiate negotiations with the prospective partner under question to work out draft text of agreement.

9. Any agreement to be entered into by ECO must be drawn up in conformity with the relevant provisions of the Izmir Treaty, principles of cooperation of ECO, relevant directives/decisions of the ECO Summit and Council of Ministers (COM) as well as with the relevant provisions of ECO's Basic documents (Rules of Procedures and Financial Regulations).

iv) Approval by the CPR

10. Once the negotiations on draft agreement have been successfully concluded, the draft text shall be circulated to the Member States for their views and subsequently submitted to the CPR for approval. To the extent possible, efforts shall be made by the Secretary-General to circulate the draft text to the Member States not later than 2 months before the issue is placed on the agenda of the CPR Meeting for final decision.

v) Signing of Agreement

11. Any agreement with other Regional and International Organizations, States and Institution shall be signed by the Secretary General. However, in the event that the Secretary General is unable to sign an agreement personally, he may delegate this responsibility to the DSG in-charge of international relations or another DSG under intimation and proper justification to the Member States.

vi) . Safekeeping, Registration, Reporting and Certification

12. Following the signing of an agreement, appropriate arrangements shall be made by the Secretariat for safekeeping of the original version. Certified copies of the signed text will also be circulated to the Member States, for appropriate follow up.

13. The Secretariat would prepare and update, on regular basis, a list of Agreements to which ECO has become a party, to be submitted to the COM and RPC Meetings as part of Secretariat's Annual Reports. In addition, arrangements would also be made to make public, text of such Agreements as appropriate.

14. The Secretariat would also make necessary arrangements to effect registration, filing and recording, or, when required, deposit agreements of ECO with the Secretariat of the United Nations, as required under Article 102 of the Charter of the United Nations and Articles 4(2) and 10 of the General Assembly's regulations.

15. The Legal Adviser of the Secretariat will provide certified copies of ECO Agreements under approval of the Secretary General, as and when required.

vii. Follow-up

16. Subsequent to signing an agreement, the Secretary-General shall make necessary arrangements for its effective implementation. To this end, appropriate measures shall be taken including the following:

i) Designations of Focal Points:

17. In order to ensure regular and efficient follow-up, focal points will be designated in the Secretariat, preferably at the time of signing of an Agreement. The Secretary-General may also issue necessary instructions to relevant focal points/staff to prepare reports on progress of implementation of agreements on regular basis.

ii) Plan of Action/Work Programme:

18. Based on the 'Expected Outline' referred to in Para 5 (viii) of the present Modalities, the Secretariat shall finalize a Plan of Action/Work Programme in consultation with the concerned partner and in keeping with the framework of agreement, preferably within three months of signing of the agreement. Thereafter, the Plan of Action/Work Programme shall be submitted to the CPR for approval.

19. Subsequent to signing of an Agreement, if required, the CPR would be requested to allocate necessary funds out of the ECO Feasibility and General Purposes Fund for implementation of activities envisaged in the Plan of Action/Work Programme, as appropriate. The extent of such an allocation would be determined by the CPR on case by case basis. In this connection, the Member States may also wish to make voluntary

contributions to facilitate implementation of activities in the Work Programme. Further, the Secretariat would also explore possibilities of obtaining financial assistance from relevant regional/international Organizations and/or donor agencies for this purpose.

iii) Annual Consultative Mechanism:

20. Where deemed useful, the Secretary General may put in place an Annual Consultative Mechanism with the partner to keep under review progress on

implementation of Agreement. The details of such a consultative mechanism may be spelled out in final agreement or agreed upon through exchange of letters subsequent to signing the agreement.

iv) Annual Evaluation:

21. A comprehensive status Report on implementation of agreements along with recommendations to speed-up their implementation shall be prepared by the Secretariat on annual basis in line with the recommendation of the Comprehensive Plan of Action for enhancing external relations. The status report shall be circulated to the Member States and subsequently submitted to the CPR/RPC meetings.

VIII. Implementation of Modalities

22. These Modalities would enter into force upon approval by the COM.

23. The Secretary-General may issue necessary instructions to the staff in order to ensure effective implementation of these Modalities. The DSG in-charge of international relations will devise a mechanism to ensure proper internal coordination/consultation during all stages envisaged in the present Modalities and report progress to the Secretary General on regular basis.

24. The follow up actions envisaged in the preceding Paras, where applicable, will also be followed in the case of agreements already signed by ECO.

IX. Amendments

25. The present Modalities may be amended by the COM on recommendation of the CPR.

Modalities for the Operation of the “ECO Fund For Afghanistan”¹

20 January 2019

These Modalities, prepared as per Article 5 of the "ECO Advocacy Programme for Afghanistan" (EAPA), will govern the operation of the “ECO Fund for Afghanistan”.

Objective

1. The “ECO Fund for Afghanistan” (referred to hereinafter as “Fund”) shall serve as a pool of financial and in-kind resources to support the stability, reconstruction, sustainable development and economic growth in Afghanistan capacity building activities, projects and programmes that are developed within the framework of the "ECO Advocacy Programme for Afghanistan" (EAPA).

Guiding Principles

2. The operation of the “Fund” is guided by principles enshrined in Izmir Treaty and provisions of the EAPA and these “Modalities”.

3. The “Fund” is succeeding the “ECO Fund for Reconstruction of Afghanistan” and all financial assets/liabilities of the latter will be transferred to the “Fund”.

4. The “Fund” is a non-budgetary funding mechanism within ECO.

5. Contributions to the “Fund” is on a voluntary basis.

Fund’s Administration and Governance

6. ECO Secretariat is the Fund’s administrator under the conditions envisaged by EAPA or/and specified by these “Modalities”.

7. ECO Secretariat will also receive guidance, through COM/CPR, from the “ECO Afghanistan Committee” to be established as per Article 6 of the EAPA.

¹ The Council of Ministers (COM) at its 23rd Meeting held in Dushanbe on 17 April 2018 adopted the "ECO Advocacy Programme for Afghanistan" (EAPA) and mandated the Council of Permanent Representatives (CPR) to revise the existing modalities of the “ECO Fund for Reconstruction of Afghanistan”. The Council of Permanent Representatives after the deliberation of the draft Modalities at several meeting finally at its 235th CPR Meeting decided to finalize the text of the draft Modalities as well as its approval by COM through silence procedure. On 20 January 2019, following the expiration of the deadline, the draft Modalities was adopted by COM under the silence procedure.

8. ECO Secretariat will establish necessary relationship with the “Special Unit” to be created by the Government of Afghanistan, in accordance with Article 4 of EAPA, for facilitation and coordination purposes. The Ministry of Economy of the Islamic Republic of Afghanistan will establish the Special Unit that is comprised of authorized representatives of all ministries/authorities to do the necessary coordination between ECO Secretariat and Afghanistan's Ministries/Authorities.

9. The financial contributions to and payment obligations of the “Fund” will be done through an account of the ECO Secretariat at a bank as envisaged under Article 5 of the EAPA or any other bank deemed appropriate by the Secretariat through consultations with the CPR. The Secretariat will communicate the bank account information to the Member States. In case of direct funding, the budget of the project (s) would be transferred directly to the contractor/implementing agency in accordance with the contract of the project’s ToR.

Fund’s Resources

10. The financial resources of the “Fund” are provided by ECO Member States on a voluntary basis. There may also be earmarked contributions to the “Fund”. Earmarked contributions also include the previous commitments of the Member States.

11. In-kind contributions to the approved projects/programmes/activities may also be considered as resources of the “Fund”. Member states and other donors may contribute to the “Fund” with their technical assistance, goods and services. The value of in-kind contributions must be based on an appraisal of the fair market value of goods and services. The value of all in-kind contributions needs to be actual, verifiable, and be supported by financial documentation.

12. ECO Secretariat may organize, with prior coordination with the Member States through CPR/ECO Afghanistan Committee, pledging conference(s) to raise possible contributions from non-member states, governmental and non-governmental organizations, foundations and institutions.

Eligibility and Project Contracts

13. The “Fund” will finance projects and programmes as well as capacity building/capacity development activities, including trainings and advisory missions, in support of EAPA. It may also be utilized for co-financing in the projects/programmes/activities jointly implemented by ECO and donors.

14. The projects/programmes/activities may be initiated by Afghanistan, contributing ECO Member State(s), non-ECO donor(s) or ECO Secretariat through the following procedures:

a. The Government of Afghanistan shall inform, regularly, the ECO Secretariat of areas of activities set out in Article 3 of EAPA where ECO may support Afghanistan through EAPA and “Fund”. This may include specific project proposals/proposed activities. After inspection and evaluation, all proposed projects of Ministries/Authorities of the Islamic Republic of Afghanistan must be submitted to the ECO Secretariat by the Special Unit. This information will be shared by the Secretariat with the Member States. In doing so, the ECO Secretariat should also inform the Member States about the relevance of the proposals and their consistency with the objectives and principles set forth under the EAPA as well as availability of resources. The ECO Afghanistan Committee will also discuss the proposals.

b. The decision on the selection of the projects/programmes/activities are made by CPR at the recommendation of the ECO Afghanistan Committee or ECO Secretariat. In so doing, the preference will be given to those areas of assistance for Afghanistan, in which ECO Member States have the capacity to deliver. In case any of the ECO Member States is unable to deliver the project(s), only then provision may be made to acquire services of non-member states. The required goods, works and services for implementation of an approved project/programme/activity shall be procured from an eligible supplier/contractor selected through international bidding open to prospective bidders, most preferably from within ECO Region. The concerned ministries/authorities of the Islamic Republic of Afghanistan as beneficiary of each project shall carry out the procurement and bidding process and then submit all requisite documents to Special Unit, upon receipt of the necessary/required documents of the project, it would be forwarded to the ECO Secretariat. The ECO Secretariat shall also be provided with the appraisal report of the Special Unit on the conducted processes. A standard bidding procedure for the EAPA’s projects/programmes/activities shall be developed by the ECO Secretariat, taking into account the relevant ECO rules and procedures, with prior consultations with Afghanistan to ensure consistency with its national procedures for international bidding.

c. The final approval of eligible bidder should be made by CPR on the recommendation by either ECO Afghanistan Committee/or jointly by ECO Secretariat and Afghanistan from among the offers received through international bidding.

Note: No international bidding will be required in case ECO Secretariat can, alone or jointly with its partner(s), implement the approved project/programme/activity.

d. In case of earmarked contribution by a Member State/or any other donor, the subject project /programme/activity can be implemented by a contractor or implementing agency of the donor’s choice.

e. In line with its overall mandate, ECO Secretariat may also develop and propose projects/programmes/activities to support implementation of EAPA. In case of CPR approval, Technical Assistant/Capacity Building projects/programmes/activities will be implemented either by ECO Secretariat, alone or jointly with a partner, or by a contractor selected through international bidding as specified under sub-paragraphs of paragraph 14 above.

15. Following the selection of the contractor, a contract shall be concluded between ECO Secretariat and the contractor which specifies details of the project/programme/activity, including the payment obligations from the "Fund". In case of direct funding of a project by a donor, the contract is concluded between the donor and the contractor / implementing agency and a copy of which shall be submitted to the ECO Secretariat. In direct funding modality, the donor government may assign an agency to carry out the implementation formalities on its behalf including biddings and procurements in consultation with the government of Islamic Republic of Afghanistan.

Funding modalities

16. The payment obligations will be done from the "Fund" in accordance with the arrangements agreed in the subject contract.

17. In the case of earmarked pledges, the contributor may be authorized by CPR to make direct payments to the contractor / implementing agency.

Monitoring

18. The monitoring and evaluation of the progress in the implementation of the projects/programmes/activities will be jointly done by the ECO Secretariat and Special Unit as per arrangements foreseen in the subject contract. The ECO Afghanistan Committee, which is the EAPA review body, will also make regular evaluation of the ongoing projects/programmes/activities, based on the progress reports prepared by the ECO Secretariat. The Committee submits annual implementation reports to the COM.

Auditing

19. The ECO Audit Board shall be authorized to audit the accounts of the "Fund" annually. The Board may carry out this function while auditing the annual budget of the Secretariat.

20. For those resources of the "Fund" which are directly transferred to the contractor/implementing agency by the contributing Member State/donor, an auditing body shall be appointed by the contributing Member State/donor who shall provide ECO Secretariat with the audit report.

21. Audit reports shall be made available to the Member States by the Secretariat.

Termination of the Fund

22. The termination of the utilization of the “Fund” should be decided by COM. Upon the termination of the “Fund”, the remaining amount should be transferred to “ECO Feasibility and General Purpose Fund”.

Amendment

23. The present “Modalities” may be amended and revised by the Council of Permanent Representatives on behalf of the Council of Ministers based on the request of the ECO Afghanistan Committee or ECO Secretariat.

(Approved by COM through silence procedure- 12 July 2022)

Following the initiative taken by the Republic of Uzbekistan as the Chairman of ECO in 2022 regarding the selection of a theme for the year 2022 and the proclamation of this year as the "Year of Strengthening Connectivity" and the subsequent deliberations made at 260th and 261st Meetings of the Council of Permanent Representatives (CPR) on the issue followed by the decision of the Council of Ministers (COM) on the declaration of 2022 as the "Year of Strengthening Connectivity" in ECO Calendar (obtained through silence procedure) the following Guidelines outlining the procedure for the selection of theme for specific years in ECO Calendar were prepared by the Secretariat. At its 264th and 265th meetings CPR considered the draft Guidelines and adopted the Guidelines with some amendments thereto, as proposed by the Islamic Republic of Iran and the Republic of Türkiye. The approval of COM was also decided to be sought through silence procedure. The silence procedure initiated by the issuance of the Note Verbale No.LA/Guidelines of annual theme/2022/900 dated 28/6/2022 and given the fact that no objection raised thereto within the time limit of two weeks set for this purpose the Guidelines were considered as approved by the Council of Ministers on 12 July 2022 (Note Verbale No. LA/Guidelines of annual theme/2022/966 dated 13 July 2022).

Purpose

Selection of a theme for specific years in ECO Calendar might be made with the aim of signifying the importance of a subject matter of common interest and concern and enhancing concentration of mutual efforts in the region for addressing the challenges thereto.

Scope of the Theme

The proposed theme should be in line with the objectives set forth in the Treaty of Izmir as well as the envisaged goals in ECO Vision with a priority given to the main areas of activities of the Organization as well as the priorities of the upcoming Chairmanship.

Selection of the Theme

The upcoming ECO Chairmanship in consultation with the ECO Secretary General may propose a theme for the year in question.

In the absence of any proposal by the upcoming Chairmanship, the Secretary General in consultation with all Member States will propose to COM an agreed theme.

Procedure

The proposals shall be submitted to CPR or directly to COM. The final decision shall be made by COM. The decision of COM may contain specific actions that shall be taken within the framework of ECO.

Declaration of the year in ECO Calendar takes place based on the selected theme.

In case of suggestion of a theme at Summit Meetings, the issue will be put on the agenda of CPR based on the concept paper which will be provided by the concerned Member State for the required decision.

Financial Implication

In case that the activities suggested for addressing the challenges under the selected theme for the specific year requires provision of additional budget not foreseen in the annual budget, an amount not more than one percent of General Reserve Fund, if available, might be allocated for the financial support of the activities, with the prior consent of CPR on behalf of COM.

Approved by COM through adoption of silence procedure (Note Verbale No.LA/ECO Rules for Procurement/2022/972 dated 14/7/2022. The silence procedure was observed for obtaining approval of COM based on the decision of 265th CPR Meeting held on 27 June 2022.

Purpose

The purpose of these Rules is to ensure streamlined procurement processes under the required control procedure for obtaining on a fair and competitive basis the desired goods and services of the highest quality and the best price possible for the best interest of the Organization.

1. Classification of procurements based on value

Small-value procurements shall cost less than USD 400 (or the equivalent amount in Iranian Rial or any other currency).

Medium-value procurements shall cost more than USD 400 and less than USD 4000 (or the equivalent amount in Iranian Rial or any other currency).

Large-value procurements shall cost more than USD 4000 (or the equivalent amount in Iranian Rial or any other currency).

2. Procurement Procedure of Small Value Procurements (Direct Purchase)

Procurement procedure of small value goods and services shall be initiated by the purchase requisition of the Directorate/Unit containing the description of the type, quality, quantity of goods, timing of the requirement of goods, estimated price of the required procurement, source of the price to be borne, submitted to the Head of Section of the Administration. Upon the instruction of Deputy Secretary General in charge of the Administration the Purchase of small value procurements is directly done by the Procurement Officer with the approval of the competent authority having authorization to initiate the procurement.

3. Procurement Procedure for medium goods/services (Purchase through Quotations)

Procurement procedure of medium value goods and services shall be initiated by the purchase requisition of the concerned Directorate/Unit submitted to the Head of Section of the Administration along with sufficient details in the description of the requirement to begin the procurement process. The Deputy Secretary General in charge of Administration will determine exactly what is required and further instruct the procurement officer to initiate the initial evaluation of the price of the requested goods

or services. The concerned procurement officer shall provide the Head of Section of the Administration with the required information on the following:

- i) Details regarding the description and quantity of the items or services/product required;
- ii) Delivery dates/time locations and modalities;
- iii) Confirmation of availability of funding, based on the estimated price/value of the procurement requirement;
- iv) Confirmation of availability of Goods / Services from the specific vendors/contractors/consultants and the price proposals of three vendors;
- v) Specification with regard to technical requirements and evaluation method;
- vi) Availability of the budget stated by the chief accountant.

The Head of Section of the Administration based on the abovementioned information shall provide, through his immediate superior Deputy Secretary General in charge of Administration (DSG-Admin), the Secretary General with a report on the request for procurement which will include three quotations from three different firms/suppliers/vendors/providers with details on price, description of the product/service, quantity, delivery time and modalities etc. The Secretary General considering the report which should contain the viewpoints of the Administration and taking into account the budgetary considerations may approve the acquisition/make an award to the lowest responsive, responsible complying bidder.

4. Procurement Procedure of Large Value goods and services (Through Competitive Bidding)

Procurement procedure for large value procurement would be based on competitive bidding through invitation of tenders on standard tender forms (in the manner specified by ECO Secretariat) through announcement of tender on ECO website and other media (print/ electronic) having wide circulation (for other media SG will decide on a case-by- case basis).

The Head of Section of Administration will move the requirement through a report through his immediate superior Deputy Secretary General in charges of Administration to the Secretary General who will refer the case to the Procurement Committee, if the case falls within the ambit of the Large Value Procurement.

5. Approval Mechanism

The Secretariat shall provide clear authorization and delegation of powers for different categories of procurement and shall initiate procurement after prior approval of the competent authority.

6. Procurement Committee

A Procurement Committee composed of the following competent members is established to assist the Secretary General for large value procurements and to evaluate the consultants/bidders as per evaluation criteria.

- i) Deputy Secretary General (concerned with the subject matter);
- ii) Director /Head of Section (concerned with the subject matter);
- iii) Chef de Cabinet of the Secretary General;
- iv) Chief Accountant;
- v) Legal Advisor.

If the committee referred to above requires the assistance of a consultant, the ECO may, subject to the approved programme and budget, appoint a consultant by application of the procedure set forth in the Rules/Regulations of ECO.

7. Rules of Procedure of the Procurement Committee

- i) The Deputy Secretary General (concerned) shall preside over the meeting of the Procurement Committee;
- ii) The concerned directorate/unit shall provide the Committee with the necessary information on the requisition including Terms of References (ToRs);
- iii) Procurement Committee may decide on procurement to be undertaken on the (I) Quality Based Selection (QBS) with 100% weight to quality for procurement of highly specialized, innovative and complex assignments, where quality is the predominant factor, (II) Least Cost Selection for selecting consultants for assignments of standard or routine nature, where the well-established practices and standards exist as well as (III) Quality and Cost Based Selection (QCBS). This system may be used where quality is the prime consideration while cost is a secondary consideration. SG will give the final approval for the method used;
- iv) The weight for quality is normally of eighty percent with twenty percent given to cost and more than twenty percent weight to the cost of the services is justified only in relatively routine and straightforward assignments (such as design of simple structures), whereas, in no cases it should exceed thirty percent and the consultant obtaining the highest combined score is invited for negotiations;

- v) Upon the decision on the type of procurement process Procurement Committee through the Administration or the relevant directorate may invite the qualified vendors/suppliers/ service providers to submit their proposals through advertisement for open competitive bidding procurement/mode on the website of ECO and/or other media. The Standard Bidding Documents (SBD) approved/specified/prepared by the ECO Secretariat will be used for the bidding process by the interested parties;
- vi) After the expiry of the period of time set for the respective Process the Procurement Committee should consider all the proposals based on the evaluation criteria set out under section entitled “Vendor/Supplier/Consultant Selection” and provide the Secretary General –through the Deputy Secretary General in charge of the Administration- with an evaluation report (technical and financial) adopted based on the scores achieved by all parties who have participated in the bidding process. The evaluation report should contain recommendations signed by the members of the Committee with the short list of the proposed selected bidders/ vendors/suppliers/ service providers/consultant along with the supporting justification/arguments;
- vii) Three members of the Committee shall constitute the quorum for its meeting in order to break a conflict in case of a tie. The Committee’s decisions are taken by consensus. In the absence of consensus, the decision can be taken by absolute majority to ensure transparency, accountability, integrity and fairness. In this case, the dissenting views of the member of the Committee can also be submitted to the Secretary General;

The Procurement Committee is required to perform short listing of consultants/service providers, responding to the expression of interest/RFP, approval of request for proposal, evaluation of technical and financial proposals according to the selection method/evaluation criteria, finalization of recommendation for selection of consultants/contractors/ vendors based on evaluation criteria in a timely manner, to recommend/approve the contract award, to provide overall management of the contract;

- viii) The Procurement Committee shall evaluate the proposals in a manner prescribed in advance in SBD, without reference to the price and reject any proposal which do not conform to the specified requirements. The said Committee shall prepare and sign a detailed report on the evaluation with the minimum content and in the format as described by ECO. The bid found to be the lowest evaluated responsive/complying bid shall be accepted;
- ix) All communications and documents relevant to procurement of goods and services shall be in English. However, in case of procuring locally, the official

language of host country might be used instead of English for communications. In any way the unofficial translation of these documents should be recorded;

- x) The Procurement Committee shall ordinarily be under an obligation to process and evaluate the bid within the stipulated bid validity period. However, under exceptional circumstances and for reason to be recorded in writing, if an extension is considered necessary, all those who have submitted their bids shall be asked to extend their respective bid validity period. Such extension shall be for not more than the period equal to the period of the original bid validity;
- xi) Procurement Committee shall be responsible for observing the provisions of the procurement rules and conformity of its decisions and recommendations with the ECO financial rules and regulations to the Secretary General and ECO decision making bodies.

8. Vendor/Supplier/Consultant Selection

- i) The Procurement Committee will finalize and get approval of the selection criteria along with the relevant weightages for the Secretary General before starting the procurement process;
- ii) Following criteria shall be applied for preparing the evaluation report for the selection of Vendors/Suppliers/ service providers:
 - a) Price;
 - b) Quality of goods/services;
 - c) Availability of goods/services within the required delivery time;
 - d) After sale service, reliability, durability including availability of parts/suppliers;
 - e) Timelines of delivery;
 - f) Bidder's previous/ past records of performance and service;
 - g) Ability of bidder to render satisfactory service in this instance;
 - h) Financial stability/capabilities of the vendor;
 - i) Financial situation and performance;
 - j) Average annual turnover;
 - k) Availability of bidder's representative to call upon and consult with;

- l) Payment terms;
- m) Warranty / Guarantee offered;
- n) Ability to provide samples;
- o) General experience of the consultant;
- p) Specific experience of the consultant;
- q) Qualification of the suppliers/vendors/consultants;
- r) Projects undertaken in the similar fields/ number of contracts;
- s) Consultancies provided in the last five years;
- t) Other criteria set forth by the Council of Ministers for the selection of the project consultants.

Procurement Planning

ECO Secretariat shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement for all proposed procurements, within one month from the commencement of a financial year, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. The Secretariat is not generally allowed to split a project or programme components into successive packages of lower value when preparing its procurement plan with the intention of avoiding either a particular procurement method or the obligations of seeking the approval of a higher authority. The Secretariat shall not usually split a package as approved in the Total Procurement Plan.

9. Specifications

- a) The Secretariat shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage.
- b) The Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of, or a reference to, a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words " or equivalent".

10. Response Time

- a) The Secretariat may decide the response time for receipt of bids or proposals from the date of publication of an advertisement or notice keeping in view the complexity of

procurement, availability and urgency but, in no circumstances, the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

b) All advertisements or notices shall expressly mention the response time allowed for the procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date but the time limit shall not apply in case of an emergency procurement.

c) The response time shall be calculated from the date of publication of the advertisement in a newspaper or on the website, whichever is later.

11. Qualification/disqualification of suppliers and contractors

a) Qualification

The Secretariat, at any stage of the procurement proceedings, having credible reasons for, or prima facie evidence of, any defect in the capacity or otherwise of a contractor, whether or not prequalified, may require the contractor to provide such further information concerning the professional, technical, financial, legal or managerial competence as the Secretariat may decide.

b) Disqualification

The Secretariat shall disqualify a contractor on the ground that he had provided false, fabricated or materially incorrect information.

12. Bidding Documents

i) The Secretariat shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

ii) For competitive bidding, whether open or limited, the bidding documents include the following: namely:

a) Invitation to bid;

b) Instructions to bidders;

c) Form of bid;

d) Form of contract;

e) General or special conditions of contract;

- f) Specifications and drawings or performance criteria (where applicable);
- g) List of goods or bill of quantities (where applicable);
- h) Delivery time or completion schedule;
- i) Qualification criteria (where applicable);
- j) Bid evaluation criteria;
- k) Format of all securities required (where applicable);
- l) Details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and
- m) Any other detail not inconsistent with these rules that Procurement Committee may deem necessary.

13. Blacklisting of suppliers and contractors

The Secretariat shall devise a comprehensive mechanism for blacklisting and debarment of bidders for a specific time in accordance with regulations made by the Secretariat, and the bidder or the bidders shall be declared as:

- a) blacklisted and henceforth cross debarred for participation in any public procurement or disposal proceedings for the period of not more than ten years, if corrupt and fraudulent practice as defined in these rules is established against the bidder or the bidders in pursuance of blacklisting proceedings;
- b) blacklisted and henceforth cross debarred for participation in respective category of public procurement or disposal proceedings for a period of not more than three years, if the bidder fails to perform his contractual obligations during the execution of contract or breaches the contract due to his capacity and capability to perform or otherwise. However, the Secretariat shall initiate such blacklisting or debarment proceedings after exhausting the forum of arbitration, provided that such provision exists in the condition of contract, and if such failure or breach is covered in the respective dispute settlement clauses of the contract, and
- c) blacklisted and henceforth cross debarred for participation in respective category of public procurement or disposal proceedings for a period of not more than six months, if the bidder fails to abide with a bid securing declaration, however without being indulged in any corrupt and fraudulent practice.

14. Bid Security

The Secretariat may require the bidders to furnish a bid security not exceeding five percent of the estimated price.

Explanation:

In this rule the words 'estimated price' mean the price of procurement estimated by the Secretariat before initiation of the process of procurement.

The bid security shall be submitted separately as part of financial bid envelope in the form of Bank Guarantee/Demand Draft/ Pay order/ Call Deposit Receipt in the name of the Secretariat have a minimum validity of one hundred and twenty days (120) from the last date for submission of the Tender or until furnishing of the Performance Security, whichever is later.

15. Bid Validity

The Tender or proposal shall have a minimum validity period of 30 days from the last date for submission of the Tender. The Secretariat may solicit the Bidder's consent to an extension of the validity period of the Tender. The request and the response thereto shall be made in writing. If the Bidder agrees to extension of validity period of the Tender, the validity period of the Bid Security shall also be suitably extended. The bidder may refuse extension of validity period of the Tender, without forfeiting the Bid security.

16. Performance Guarantee

The Successful Bidder/Contractor shall furnish performance Guarantee within 28 days of the receipt Intent Letter from the Secretariat in the form of Bank Guarantee, issued by a scheduled bank operating in Tehran, as per the format provided in the Tender Document. Performance Guarantees in the shape of demand draft/pay order may be accepted along with undertaking regarding its renewal by the Contractor before expiry, for required time period as per signed Contract for a sum equivalent to 10% of the contract value.

17. Acceptance of Bids

The bidder with the lowest evaluated bid, if not in conflict with any other law, shall be awarded the procurement contract within the original or extended bid validity period.

18. Confidentiality

The Secretariat shall keep all information regarding the bid evaluation confidential until the time of the announcement of the evaluation report.

19. Entry into force of the procurement contract

The Secretariat will award the Contract to the bidder whose bid has been determined to be substantially responsive to the document and who has offered the most advantageous bid, provided that such Bid price is not below the reserve price.

A procurement contract shall come into force:

a) where no formal signing of a contract is required, from the date the notice of the acceptance of the bid or purchase order has been given to the bidder whose bid has been accepted. Such notice of acceptance or purchase order shall be issued within a reasonable time; or

b) where the Secretariat requires signing of a written contract, from the date on which the signatures of both the procuring agency and the successful bidder are affixed to the written contract. Such affixing of signatures shall take place within a reasonable time.

20. Closing Contract

Except for defect liability or maintenance by the supplier or contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the supplier or contractor to submit final bill and the auditors to do substantial audit.

21. Record of procurement proceedings

The Secretariat shall maintain a record of their respective procurement proceedings along with all associated documentation for a minimum period of five years.

22. Mis-procurement

Any unauthorized breach of these rules shall amount to mis-procurement.

23. The procedure for the Selection of Consultants under Joint Projects

The Consultants may participate in the bidding process for a specific assignment / project through a joint Venture/Consortium and such association (joint Venture/Consortium) shall participate with the permission of the ECO Secretariat. With respect to the procurement of Consulting Services of joint projects the terms and conditions agreed upon between the ECO Secretariat and the concerned Regional/International Organization or National Institutions or a State will be observed. However, if it is agreed that the ECO Secretariat selects the expert/consultant, the procedures set forth in these guidelines shall be observed.

24. Grievance Mechanism Procedures

- i) The Secretary General of ECO Secretariat shall constitute a committee (Grievance Committee) comprising of odd number of persons, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract;
- ii) Any bidder, feeling aggrieved by any act of the procurement/evaluation committee after the submission of his bid may lodge a written complaint concerning his grievances not later than ten days after the announcement of the decision;
- iii) The grievance received is referred to the Procurement Committee for its explanation. The Committee considers the complaints and provides the Secretary General with its explanation. The Legal Advisor who is participating in the Meeting of the Committee shall also submit his/her separate views with respect to the explanation of the committee as well as the complaints received to the Secretary General;
- iv) The Committee, taking into account the explanation and the separate views of the Legal Advisor make the final decision on the grievance within fifteen days of the receipt of the complaint and, if necessary, by hearing both the parties. In making a decision pursuant to above, the committee may decide as follows:
 - a) Dismissing the application;
 - b) In the cases where procurements contract has not been concluded: (i) Giving an order to the concerned Directorate/Unit not commit or make an unauthorized act or decision or to pursue incorrect procedure, (ii) Annulling the whole or in part an unauthorized act or decision made, (iii) If bids or proposals need to be re-evaluation, issuing an order for re-evaluation, citing such error as well, if any, in the evaluation;
 - c) Where a procurement contract has already been concluded, if the Grievance Committee considers that such contract should have been awarded to the applicant, recommending to the concerned Directorate/Unit to pay a reasonable amount (quantum merit) to the applicant having regard to the grievances suffered by the applicant;
 - d) The Secretary General, taking into account the explanation of the Committee as well as the separate views of the Legal Advisor make the final decision on the grievance.

25. Exceptions

The Secretary General may determine for a particular procurement action when using formal methods for procurement is not in the best interest of the Organization:

- i) When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by the host country's legislation or government regulation; or where the required procurement is proprietary in nature and falls within the definition of intellectual property which is available from a single source;
- ii) When the proposed procurement contract is the result of cooperation with other international institutions, ECO Regional Institutions, ECO Specialized Agencies or affiliated bodies of the organization;
- iii) When, within a reasonable prior period, a formal procurement procedure has not produced satisfactory results;
- iv) When there is an exigency/urgency/instruction by CPR for the requirement; brought about by events unforeseeable by the ECO, the time limit laid down for open and limited bidding methods cannot be met.
- v) When the proposed procurement contract relates to obtaining services that cannot be evaluated objectively;
- vi) In cases of procurement related to the security, the requirement of advertisement and publication may be waived.

If non-application of the procurement procedures is decided the Secretary General shall record the reasons in writing for granting such approval and may then award a procurement contract, either on the basis of an informal method of solicitation or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.

26. ECO Basic Rules and Regulations

In case of contradiction between the present guidelines and ECO Basic Rules and Regulations, the latter shall take precedence.

Terms of Reference

High Level Committee¹

6

¹ . The Terms of Reference of the High level Committee was adopted at 26th COM Meeting held in Tashkent on

Background

Establishment of a High Level Expert Group (HLEG) to prepare specific proposals and recommendations for further improvement of the activity of the Organization was proposed by the Republic of Uzbekistan at 15th ECO Summit Meeting held on 28 November 2021 in Ashgabat.

In line with the overall purpose of the aforesaid proposal a brainstorming session at the level of Deputies of the Foreign Ministers of the Member States was convened on 23-24 May 2022, at the ECO Secretariat, to address reform processes and prospects of cooperation in the ECO Region.

At its 264th meeting held on 10 May 2022, the CPR while noting the above-mentioned overall purpose for which the brainstorming session of Deputies of Foreign Ministers was convened, agreed on the establishment of HLEG with the understanding that the scope of the functions of the HLEG shall be defined further. This was followed by mandating the Secretariat, at 265th CPR Meeting held on 27 June 2022, for preparation of the draft Terms of Reference of HLEG.

On 31 July 2022, the 266th CPR Meeting, given the fact that in the light of the proposal of Uzbekistan a twin-track approach has been adopted by the Organization for fulfilling the same objective, agreed on establishment of a High Level Committee (HLC) instead of HLEG by merging the latter with the Session of Deputies of the Foreign Ministers. Accordingly, the Secretariat was tasked to prepare the draft Terms of Reference of the High Level Committee (HLC).

The draft Terms of Reference prepared by the Secretariat was considered at the 267th, 268th and 269th CPR Meeting and the Council adopted the Terms of the Reference.

Given the fact that the Terms of Reference of the High Level Committee proposed establishment of the Committee as the subsidiary body the Terms of Reference was put on the agenda of 26th COM Meeting for its approval by the Council of Ministers. The Council adopted the Terms of Reference of the High level Committee at the said Meeting as follows.

1. Establishment

The High Level Committee (HLC) is established as a subsidiary committee¹ to prepare specific proposals and recommendations for further improvement of the activities of the Organization.

2. Composition of the HLC

The High Level Committee is comprised of the Deputies of Foreign Ministers of the Member States in charge of ECO affairs. The Committee in fulfillment of its functions is assisted by the High Level Experts designated by the Deputies of Foreign Ministers.

The designated High Level Experts shall be introduced to the Secretariat. The High Level Experts that have already been introduced as members of the High Level Expert Group (HLEG) are considered as the High Level Experts of the HLC unless otherwise decided by the concerned Member States.

3. Meetings, Agenda and Quorum

The meeting(s) and the respective agenda of the HLC will be scheduled and prepared by the Secretariat in consultation with the Council of Permanent Representatives.

The presence of 5 Deputies of Foreign Ministers is required for reaching the quorum of the HLC.

The Deputies of Foreign Ministers are accompanied by the High Level Experts at the Meeting of the HLC.

4. Reporting

The HLC shall report to COM on the deliberation made at their meetings and may propose concrete actions that are needed to be taken for the implementation of their recommendations to COM. The conclusions of the meeting of HLC are of recommendatory nature and are adopted by consensus. The oral reports on the work of the HLC may also be presented at COM Meeting.

Separate views of the participants at HLC meetings, provided in written, will also be attached to the report.

5. Financial implications

The financial implications of the meetings of HLC may be covered from the Feasibility and General Purpose Fund based on the proposal of the Secretariat and adoption of CPR.

¹ . Establishment of subsidiary or ad-hoc Committee as appropriate has been enumerated as one of the responsibilities of COM in Rule 2 (e) of ECO Rules of Procedure.

6. Applicable rules

ECO Rules of Procedure are applied as to the meetings of HLC.
