



## STRATEGY COMMITTEE (SC)

PAPU/SC/IPG/01/2022 - Doc No.2

### WORKING GROUP ON INVESTMENTS AND PROJECTS (IPG) 2022-2025

15<sup>TH</sup> JUNE 2022 (VIRTUAL)

#### TERMS OF REFERENCE (ToRS)

<b>Subject</b> Terms of Reference for the Working Group on Investments and Project (IPG) 2022-2025	<b>References/Paragraphs</b> Report of the Strategy Committee (SC) meeting held from 15 <sup>th</sup> to 17 <sup>th</sup> March 2022
<b>Decision expected</b> Note the ToRs of the Working Group	

### 1.0 INTRODUCTION

At its inaugural meeting held from 15<sup>th</sup> to 17<sup>th</sup> March 2022, the Strategy Committee (SC) adopted the terms of reference for the Working Group on Investments and Project (IPG) for the period 2022-2025.

The spreading of the Union's financial assets across different Investment asset classes is prudent portfolio management. Investing allows for growth, rather than keeping financial resources, for example, idle in savings accounts with minimal future financial rewards. Investment planning requires the assessment of different investment options in order to select the right vehicles for your assets, such as stocks, bonds, and mutual funds, just to name a few..

The Working Group on Investments and Projects is primarily to achieve the objective of optimizing on Union investments in light of the new Headquarters immovable asset and other instruments.

## **2.0 TERMS OF REFERENCE (TORS)**

The Terms of Reference for the Working Group on Investments and Project (IPG) are as below:

- i. Analyze identified potential areas of investment that give a positive return on investment and ensure a balanced investment Portfolio for the Union
- ii. Ensure the soundness of investments of the Union at all material times and review all the investments undertaken in terms of the return-risk profile ;
- iii. Determine the sustainability of the identified projects/investments using appropriate tools like the net present value (NPV), Internal Rate of Return and the Payback Period;
- iv. Determine the nature and magnitude of a project/investment's socio-economic benefit and determine the financial and economic impact for stakeholders;
- v. Assess the investment climate and analyzing potential impact of changes in foreign and domestic regulations as well as investment policies;
- vi. Propose model Monitoring and Evaluation (M&E) frameworks for projects and continually assess the adequacy of existing M&E frameworks for projects;
- vii. Receive and analyze Project assessment reports and guide General Secretariat appropriately;
- viii. Receive reports on Investment opportunities and report to Committee 4 (C4)
- ix. Propose and guide organization of workshops to sensitize stakeholders on Investment opportunities;
- x. Monitor the return on investments/assets and the balance between risk and return of the Union's investments;
- xi. Review the performance of the Union's investment portfolio and evaluate the different types of risks and the mitigating measures taken;
- xii. Assess the investments against the five basic criteria in investing which are, security of capital, good return, acceptable risk, liquidity and matching of assets to liabilities;
- xiii. Ensure a Project Management Policy is in place for the Union's high value projects to guide the initiation, planning, execution, controlling and closure of projects.

## **3.0 DECISION**

The Working Group is called upon to take note and familiarize with the terms of reference to guide its work going forward.