



ASEAN – Australia Development Cooperation Program Phase II (AADCP II)

Term of Reference

For

Study on the Impact of Australian Support for Infrastructure Policies and Practices in Selected ASEAN Member States

Background

The role of infrastructure is critical for promoting sustainable growth and improving connectivity among the ASEAN economies. Increased connectivity and quality of infrastructure will facilitate business and trade growth. Australia through ASEAN-Australia Development Cooperation Program Phase II (AADCP II) has been supporting ASEAN's commitment to implement its economic integration policies and priorities to enhance the regional connectivity. AADCP II had supported implementation of two ASEAN-initiated projects focused on this area, namely *“Establishing Initial Rolling Priority Pipeline of Potential ASEAN Infrastructure Projects”* and *“Development of Framework for Improving ASEAN Infrastructure Productivity.”* Description of the two projects are attached as Annex 1 and Annex 2, while description of the AADCP II program is attached as Annex 3.

The objective of the first project, *Establishing Initial Rolling Priority Pipeline of Potential ASEAN Infrastructure Projects*, was to respond to increased demand for infrastructure investment in the region by addressing the major challenges of identifying and prioritising physical infrastructure projects that have regional economic impact.

The second project, *the Development of Framework for Improving ASEAN Infrastructure Productivity*, aims to promote and improve infrastructure productivity in ASEAN by developing a framework which included key principles based on international best practices. The framework will help relevant stakeholders across ASEAN Member States (AMS) to make informed and evidence-based policies towards improving infrastructure productivity across the entire infrastructure project lifecycle.

Both projects were implemented by the Lead Implementing Body for Sustainable Infrastructure (LIB-SI) which held its inaugural meeting in 2018. LIB-SI is responsible for leading the development of sustainable infrastructure under Master Plan on ASEAN Connectivity 2025 (MPAC 2025).

As in all other AADCP II projects, AADCP II support for the two projects are fully delivered through the ASEAN Secretariat (ASEC). ASEC, in this case the ASEAN Connectivity Division, took the lead in managing the projects, from providing strategic directions, facilitating the implementation, managing performance of the implementing partners, and assuring quality of the outputs. The Division also facilitated regional cooperation and activities that follow on the two projects, which are beyond AADCP II support.

Australia is committed to support ASEAN infrastructure development and cooperation, specifically in areas that supplement or complement past and ongoing work undertaken through AADCP II and other regional programs. AADCP II is planned to conclude at the end of 2021, with a successor program expected to pick up its current work in priority areas. It is therefore considered timely to undertake a study to understand the latest progress and impact such as institutional changes in the AMS, as well as collect lessons learned, specifically in relation to past AADCP II work in the sector.

To this end, AADCP II is seeking a team of consultants (consisting of max. 3 persons) to undertake the study.

Purpose and Audience

The study will provide evidence-based data to understand how the two projects have helped AMS promote infrastructure development and productivity, and identify driving and influencing factors. This knowledge will be used to inform future priorities and strategy of the AADCP II successor program and other Australia-supported programs in the infrastructure sector. It will ensure that there is continuity between past, ongoing and future work, and promote synergy between various regional programs. This study is part of a continuous learning process with the aim of enhancing relevance and effectiveness of Australia's future strategies, programs and projects in the sector.

The primary audience for the report will be the Australia Mission for ASEAN of the Department of Foreign Affairs and Trade (DFAT). The outcomes will benefit AADCP II, its successor program, and other regional programs working in the infrastructure sector. The report will be of interest to ASEC's Programme Coordination and Project Management Division (PCPMD) as the coordinating Division for ASEAN Cooperation Projects and Programmes at ASEC. The report will provide input for PCPMD in identifying successes, challenges and lessons learned from ASEAN projects. AADCP II and PCPMD will jointly assure quality of output and activities, as appropriate.

Scope of work

This study will take stock of the changes that have taken place in the policy, practice and capabilities of relevant ministries in sample countries, maximum three AMS as a result of the two AADCP II-supported projects mentioned above. The selection of sample countries will be undertaken once the consultants have been engaged.

On the “Establishing Initial Rolling Priority Pipeline of Potential ASEAN Infrastructure Projects project”, the study does not aim to track implementation progress of the pipeline projects, rather it will look at institutional changes that have taken place, as a result of both projects. These institutional changes can take form in a change of practice, capabilities (institutional and individual), policies and regulations, guidelines and network/ relationships.

The study will also look at initiatives by other actors in relevant areas, and key factors including challenges and surrounding context, as appropriate. The indicative questions identified for the study are set out below.

The study will answer the following questions:

- How relevant and timely were the two projects in helping the three selected countries in identifying and addressing challenges in implementing their priority infrastructure projects and promote infrastructure productivity?
- To what extent have the projects enhanced capacity and strengthened partnerships within relevant stakeholders in the three selected countries? In what way?
- What are the impacts of these projects’ work on the three countries’ efforts to promote implementation of priority infrastructure projects and increase infrastructure productivity?
- What particular aspects of the projects’ objective, approach, methods and implementation arrangements made the projects more (or less) impactful? How?
- What are the opportunities to enhance Australia’s future partnership in infrastructure sustainability with ASEAN?
- How could future support for the sector ensure promotion of gender equity, social inclusion and environmental sustainability?

Approach and Methodology

The study will be undertaken through a combination of the following:

- a) A desk review of the all the relevant documents including but not limited to workshop reports, meeting notes, progress reports, and the actual outputs produced by each project.

- b) Interviews via telephone and video-conference facilities with a range of stakeholders in the three selected countries.

This study is a home-based assignment. Due to travel limitations caused by the pandemic, physical travel is not considered as part of the methodology. However, consultants located within the three selected countries that are able to conduct face-to-face meeting would be encouraged to do so.

Expected Outputs

- **Inception Report** of no more than four pages which outlines the scope and approaches of the study. It will include detailed methodology; the process for information collection and analysis, including tools such as questionnaires and/or detailed questions to be asked during the consultations; data analysis method; identification of any challenges anticipated in achieving the study objectives; allocation of tasks; key timelines; consultation schedules identifying key stakeholders to be consulted and the purpose of consultations; and other activities to be undertaken (as necessary).
- **Report** of no more than 20 pages excluding annexes. The report should be a clear and concise summary of the study outcomes. It should address the study scope and key questions as outlined above, be based on valid triangulated data, and provide a balanced analysis of relevant issues.

No	Report	Target Delivery Date
1	Inception report	Week 1
2	Submission of draft report	Week 6
3	Submission of final study report	Week 7

Process and Timeframes

The study will consist of desk review of relevant documents and consultations with key project stakeholders directly involved in project implementation. AADCP II will make all relevant documents available for review before the actual work begins. The selection of resource persons will be finalised through discussion with AADCP II and ASEAN Connectivity Division.

The study is planned to start in the second week of November and end on 31 December 2021. The team will report and work in close collaboration with the AADCP II Monitoring and Evaluation Officer during the implementation of the study.

Required skill set

The team of consultants should collectively fulfil the following requirements:

Essential

- Practical knowledge and on-the-ground experience in infrastructure and connectivity particularly in the context of ASEAN;
- Are impartial to the assignment and able to provide balanced analysis of the issue;
- Extensive experience in reviewing development project/programs, preferably at the regional (multi-country) level;
- Demonstrated ability to write high quality analytical documents, and to design and implement a consultative process of engagement with a wide range of stakeholders;
- Extensive knowledge and experience in identifying opportunities to mainstream gender, disability, social inclusion and sustainable environment aspects in infrastructure and/or complex multi-sectoral projects or programmes.

Desirable

- Familiarity with ASEAN, particularly its principles, stakeholders and ways of working;
- Experience working with ASEAN and/or ASEC, particularly in issues related to regional connectivity and/or infrastructure.

Bidding

Interested entities are invited to submit a proposal in response to this TOR. The proposal should be in two parts: Technical and Financial components, to be submitted as two separate documents.

The Technical component should present the following information:

- A brief discussion indicating the bidder's understanding of the needs of the study;
- A methodological discussion of how the bidder proposes to undertake the study, specific techniques to be utilised, and practical discussion of possible limitations in carrying out the study;
- A detailed work plan that specifies activities to be undertaken, expected outputs and deliverables, resources to be utilised and timing;
- CVs of all proposed experts;

- Brief discussion of firm's past experience in undertaking similar work and brief summaries of all projects undertaken; and,
- Samples in soft copy attached to the application (or website link to samples) of relevant past work/ reports.

The Financial component should specify:

- Professional fees of expert(s), with details on the number of work days for each expert;
- Management and/or operational fees (if any), which include all costs incurred by the person/entity/company for internal coordination, communication and any other associated project management cost; and
- Applicable taxes such as VAT, GST, PPN.

Activity costs for experts such as reimbursable expenses for travel costs and daily subsistence allowance for meetings (if any), and all other agreed activities do not need to be included in the Financial Component. These items will be discussed with the preferred consultants during the finalisation of the scope of services. Costs will be based on prevailing ASEC rates.

Submission of Application

Applicants should send their application with a cover letter, materials specified in the Bidding section above and other supporting documents with **"Study on the Impact of Australian Support for Infrastructure Policies and Practices in Selected ASEAN Member States"** as the subject via email to tender@aadcp2.org, no later than 21 October 2021 at 5:00 pm, Jakarta time.

For Frequently Asked Questions (FAQ), please visit <http://aadcp2.org/aadcp-ii-tender-frequently-asked-questions/>

Any queries on the TOR should be sent to contact@aadcp2.org with the subject line: "Query: Study on the Impact of Australian Support for Infrastructure Policies and Practices in Selected ASEAN Member States."

Annex 1: Establishing the Initial Rolling Priority Pipeline List of Potential ASEAN Infrastructure Projects

The project was implemented from January 2018 to May 2020. The Project responds to the first objective under the [Master Plan on ASEAN Connectivity \(MPAC\) 2025](#) strategic area on Sustainable Infrastructure of increasing public and private infrastructure investment in each AMS, as needed, by establishing a [rolling priority pipeline list of potential ASEAN regional infrastructure projects](#) and identifying possible sources of funding whether public, private or a combination thereof. In the long run, it is envisaged that AMS would manage the rolling in or out of projects into the list of pipeline infrastructure projects in the future.

To help AMS better understand the process and develop their ability to do the analysis on future pipelines themselves, the project included a component to support and build capacity each AMS in selecting appropriate project for inclusion in the pipeline and gathering requisite information for submission, including analysis of financing options, project structure, revenue sources, risks and challenges to implementation. It built understanding why certain projects are not proposed for inclusion in the rolling pipeline and how projects which may not have made it into the initial pipeline might be structured differently to improve their chances in the next round

The World Bank was the main implementer of the project. While some aspects of the projects were sub-contracted to other implementer, the World Bank took the lead in working with each AMS in identifying and preparing the pipeline project documents.

The project has produced the following outputs:

- i) set criteria for eligibility of projects to be included in the pipeline,
- ii) a template based on the criteria to standardize information to be provided by AMS for projects that are proposed to be included in the pipeline.
- iii) an Initial priority infrastructure projects pipeline list,
- iv) a funding/financing options analysis for the Initial Pipeline projects.
- v) pre-feasibility studies for the five selected candidate infrastructure projects and reviews of existing studies of six projects.

The initial list of projects was announced on the sidelines of the 24th ASEAN Coordinating Council Meeting in November 2019 in Bangkok. It contains 19 of 42 submitted projects spanning road, rail, energy, ports, airports and digital sectors, worth nearly USD 15 billion in estimated investments of which three have already been assigned to state owned enterprises for execution and one is under public private partnerships (PPP) procurement, eight were deemed as attractive for PPP investment and the remaining seven were noted to have limited/no PPP potential.

As the next step, to take the pipeline projects further closer to financing and implementation, ASEC conducted an investor webinar in May 2020 to promote the Yangon-Mandalay Expressway project, one of the most important logistics and transport corridors of Myanmar to the private sector. Myanmar had to develop a bankability study (business case) on the Yangon-Mandalay expressway project to prepare for this webinar. The webinar was conducted in cooperation with Infrastructure Asia, and was attended by 150 participants, including representatives from the AMS, financiers, multilateral development banks, private investors, and other infrastructure solution providers.

While progress has been positive, the [mid-term review of MPAC 2025](#) done in mid of 2020 identified that some infrastructure projects in the Initial pipeline list are not necessarily aligned with different national stakeholders in each AMS. The review suggested that this can result in non-essential or lower quality projects being selected or, as several dialogue partners have remarked, projects being pushed that do not align with what their AMS partners have identified priority for their bilateral efforts. This is a key challenge for DPs when trying to coordinate activities with bilateral assistance and can result in DPs being reluctant to fund projects under MPAC 2025.

The pipeline is intended to be a long-term, dynamic tool for AMS to regularly identify and prioritise infrastructure projects that have high economic and connectivity impact. To keep the Pipeline relevant to changing regional context given the impact of COVID-19, ASEAN is currently undertaking a study - with the support from AADCP II - that aims to support the understanding how the pandemic has impacted the infrastructure sector in the region, and help ASEAN policymakers determine appropriate future actions. This project had started in 30 April 2021 and is expected to conclude in 30 November 2021. The project will i) assess emerging trends and priorities in infrastructure taking into account the impact of the COVID-19 pandemic; ii) review the current Pipeline projects and identify key challenges and opportunities; and iii) provide recommendations on new priority areas to promote sustainable infrastructure, updated screening and scoring criteria to determine the suitability of projects for inclusion into the Pipeline, and criteria/tool to refine or enhance the Pipeline projects' ability to respond to the pandemic. The outcome of this project is expected to guide the subsequent rolling in and out of projects from the Pipeline.

Annex 2 : Development of Framework for Improving ASEAN Infrastructure Productivity.

The project aims to promote and improve infrastructure productivity in ASEAN by developing a framework to help AMS make informed, evidence-based policy choices towards improving infrastructure productivity. The project commenced on 27 February 2019 and concluded in March 2020. ASEAN engaged *Ernst & Young Solutions LLP* to undertake the work.

The project was implemented under the leadership of the Lead Implementing Body for Sustainable Infrastructure (LIB-SI), who is responsible for oversight of the project from a technical perspective and for approving final results. The [Framework](#) was finalised in June 2020 and published in October 2020.

The Framework highlights ten major trends shaping infrastructure productivity in ASEAN, including new technologies, and increasing reliance on evidence-based data, and some of the globally regarded frameworks relevant to ASEAN and initiatives in ASEAN. It identifies seven work streams as “driver of productivity” including infrastructure planning, investment management and enhancing productivity of existing assets which can catalyse better infrastructure productivity.

The work streams were developed through a comprehensive process. It (a) identified and defined infrastructure productivity; (b) undertook research on the local and global infrastructure landscape including identifying key trends, gathered relevant frameworks globally and across ASEAN and consultations with the key agencies covering a broad spectrum of infrastructure sectors across all AMS; (c) developed criteria to prioritise the work streams and priority actions which form the Framework; and (d) developed the Framework incorporating feedback from AMS including comments gathering from the two-day Forum on improving ASEAN infrastructure productivity.

It is accompanied with two toolkits to support the implementation of the framework, particularly to help AMS prioritise their capacity building needs and customise specific actions improve their future infrastructure planning, delivery, and operation.

The development of the Framework has provided opportunities for Lead Implementing Body for Sustainable Infrastructure (LIB-SI) to work with key relevant stakeholders, including ASEAN Senior Transport Officials Meeting (STOM), Senior Officials Meeting on Energy (SOME), and Working Committee on Capital Market Development (WC-CMD) Infrastructure Finance Working Group (IFWG).

The Framework is one of the milestones under the MPAC 2025 Strategic Area of Sustainable Infrastructure and would support and complement MPAC 2025’s Initiative 1 on the Initial Rolling Priority Pipeline of ASEAN Infrastructure Projects and Initiative 3 on [ASEAN Sustainable](#)

[Urbanisation Strategies \(ASUS\)](#), to which AMS could make reference to enhance and advance the Initial Pipeline and sustainable urbanisation projects in cities.

The project also supported a event on 24 and 27 May 2021, aimed to disseminate the Framework to a wider audience. The virtual event gathered more than 160 participants, including representatives from ASEAN Sectoral Bodies, ASEAN Dialogue Partners, Sectoral Dialogue Partners, Development Partners, and representatives from multilateral development. At the forum, participants learned more about the framework and exchanged views and experience on infrastructure productivity topics, including the impact of the COVID-19 pandemic on infrastructure and develop draft action plans under various infrastructure productivity workstreams.

Annex 3: The ASEAN-Australia Development Cooperation Program Phase II (AADCP II)

The [ASEAN-Australia Development Cooperation Program Phase II \(AADCP II\)](#) is an AUD57 million partnership between Australia and ASEAN, jointly implemented by the ASEAN Secretariat (ASEC), supporting the ASEAN Economic Community (AEC). It builds on AADCP I which ended in 2008. AADCP II was signed in June 2009 and is currently scheduled to end in December 2021. The overall objective of the program is to support ASEAN to implement its economic integration policies and priorities, in line with the AEC blueprint. It also supports strengthening of the ASEAN Secretariat, to help it deliver on its mandate more effectively

AADCP II funds a range of projects identified, prioritised and programmed on a rolling basis through an ad-referendum approval process by the Joint Planning and Review Committee (JPRC), consisting of the ambassador-level Committee of Permanent Representatives to ASEAN (CPR) and Australia's Ambassador to ASEAN. The JPRC meets annually to review and approve a Rolling Prioritisation Plan (RPP) and to review the progress of projects being implemented. They comprise analytical work, the development of necessary norms and standards and the socialisation of concepts of and approaches to economic integration. AADCP II also includes a Corporate Development component to support ASEC deliver its core secretariat functions.

In supporting the AEC Blueprint, [AADCP II works across a range of sectors](#), including infrastructure as part of the ASEAN Connectivity agenda, agriculture, consumer protection, tourism, energy, investment. It also supports ASEAN's effort to narrow the development gap in several sectors under the Initiative for ASEAN Integration (IAI - a cross-sectoral agenda focussed on Cambodia, Lao PDR, Myanmar and Vietnam.

The program has a strong emphasis on [partnership between Australia and ASEAN](#). This principle is reflected in how the program works. AADCP II is demand-driven. Activities ("projects") supported by the program are identified by ASEAN sectoral bodies and ASEC and are managed jointly with AADCP II during implementation. ASEAN, facilitated through ASEC, owns the project and therefore have full control over project outputs and outcomes. AADCP II works closely with ASEC in the preparation of project proposals to ensure that AADCP II support requirements are met. Once projects are approved by the JPRC, AADCP II mainly provides the fund and the operational/administrative support for projects implementation.

Following a recommendation in a 2014 Independent Review, the Program has organised its reporting around four key result areas:

1. a better knowledge and evidence base exists for regional policy making and regulation for AEC;
2. appropriate norms and standards are established for AEC to progress;

3. stakeholders are better aware of the concepts, benefits and opportunities involved in AEC
4. ASEC better able to support AEC process.