



**ASEAN-AUSTRALIA DEVELOPMENT COOPERATION PROGRAM (AADCP)
PHASE II**

**TERMS OF REFERENCE
FOR
Development of ASEAN Database on Trade Routes and Framework for Enhancing Supply
Chain Efficiency**

The ASEAN Secretariat (ASEC) and the Australian Government, through AADCP II, invite applications from consultants for the above-referenced project.

I. Background

The OECD estimated the Southeast Asian nations' combined gross domestic product (GDP) to continue to grow by 5.2% between 2019 and 2023¹. ASEAN needs efficient logistics services to enable this growth and enhance its competitiveness. Trends such as e-commerce, urbanisation, and companies shifting their supply chains are accelerating demands for these services even further.

An efficient region-wide logistics services network is needed to facilitate flow of goods, services and related information between producers, or from producers to consumers, anywhere in the region. Seamless logistics therefore has been a consistent priority for ASEAN since the last decade, and efforts have been made to reduce time and costs of transport and boost cross-border trade. Significant progress, such as the ASEAN Single Window (ASW) and work under the ASEAN Trade in Goods Agreement (ATIGA), have strengthened ASEAN's logistics environment. Nevertheless, a number of challenges remain. The logistics sector in itself is complex, involving diverse stakeholders ranging from various government agencies to the private sector. Due to differences in countries' stage of development with varying geographical characteristics, the trade structure and composition, each ASEAN Member States (AMS) has different priorities in facilitating trade and implementing the requisite infrastructure development and policy reforms for an efficient regional logistics services network.

One way to help address the above challenges, specifically in identifying common priorities and promoting coherence, is assessing logistics services development needs based on regional trade routes and priority product groupings/commodities that would provide cross-border benefits across multiple AMS. Once trade routes and commodities are identified, detailed logistics information surrounding them should be collected and analysed to identify bottlenecks and prioritise actions.

Such data on key logistics networks in ASEAN are currently lacking. Available data are mostly out dated or of narrow scope. The World Bank's Logistics Performance Index (LPI), for example, has a country-specific focus, rather than regional, and lacks granularity on specific bottlenecks. The Japan External Trade Organization's (JETRO) ASEAN Logistics Network map was an attempt to provide more granular information on seven priority trade routes in ASEAN, but has neither been updated recently, nor expanded to cover more of ASEAN's trade routes.

¹ OECD (2019): "Economic Outlook for Southeast Asia, China and India 2019: Towards Smart Urban Transportation".

II. Needs and Objectives

The project aims to address the above challenges by identifying the priority trade routes, and build a database of relevant information on these routes to help AMS determine bottlenecks and identify specific priorities to enhance connectivity within these routes.

This proposed project will also develop an ASEAN supply chain framework ("Framework"). The Framework is a necessary first-step to better understand ASEAN's supply chain performance gaps, and to identify opportunities and underlying issues and challenges to devise a region-wide action plan. The Framework will also support the gathering of data on supply chain performance and bottlenecks for specific trade routes or economic corridors towards an integrated approach to the development of trade routes.

The long term goal of this project is to enhance logistics competitiveness by improving efficiency and effectiveness of supply chains, as well as lowering supply chain costs in AMS. It is envisaged that relevant ASEAN Sectoral Bodies and AMS would use the database of trade routes and the supply chain efficiency framework to prioritise regional actions to strengthen logistics services and contribute to region-wide connectivity.

The project will benefit two groups of stakeholders:

- (i) relevant government officials from increased understanding of a comprehensive ASEAN's regional supply chain and logistics landscape, enhanced capacity to identify and prioritise trade routes connecting important regional supply chain nodes, and identify and address bottlenecks along the prioritised trade routes to measure and improve ASEAN's regional logistics and supply chain efficiency. The relevant stakeholders include:
 - Senior Economic Officials' Meeting (SEOM);
 - Senior Transport Officials' Meeting (STOM);
 - ASEAN Connectivity Coordinating Committee (ACCC);
 - ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC);
 - Logistics and Transport Services Sectoral Working Group (LTSSWG);
 - Directors-General of Customs (Customs DG);
 - Directors-General of Immigration Departments and Heads of Consular Affairs Divisions of the Ministries of Foreign Affairs (DGICM);
 - Senior Officials' Meeting for the ASEAN Ministers on Agriculture and Forestry (SOM-AMAF);
 - Senior Officials' Meeting on Health Development (SOMHD); and
 - other relevant government agencies; and
- (ii) private sector, comprising business associations and councils, manufacturers and logistics services providers, from the insights and recommendations from this project, and in the longer-term from improved logistics and supply chain efficiency. They will be involved in the consultation process to provide relevant information and private sector's views.

III. Outputs

The project will be implemented by a selected contractor, preferably an entity, which will be responsible for producing the two main outputs of this project: the **ASEAN Database on Trade Routes** and the **Framework for Enhancing Supply Chain Efficiency**.

To deliver the outputs, the consultant will be required to undertake and report the following activities and deliverables:

1. **Inception Report:** overall approach to the study (demand-driven rather than supply-oriented in the approach to the development of trade routes preferred), opportunities to develop a network of trade routes, work plan, management plan and budget.
2. **Identification and prioritisation of 5 trade routes and 5 products or commodities for each trade route:**

Selection criteria could include:

- a) Regional coverage: A selected trade route must be a regional lane, connecting at least 2 AMS. The routes chosen could include a combination of air, maritime and land-based routes (although not every route must necessarily involve air, maritime and land-based connections).
 - b) Traffic and volume / value: There must be significant amount of traffic and volume or value of goods transported via the trade route. The traffic volume will consider both directions of the trade route. It is also useful to examine the profile of trade in ASEAN and identify possible changes in trading patterns that could impact upon future traffic flows and routings.
 - c) Importance for the private sector: Although linked to criterion b), it would be particularly important to engage the private sector to identify trade routes and products of importance for their activities and where they see large potential to improve.
 - d) Relevance for AMS: The trade routes and products or commodities must be a key strategic priority for the AMS involved to ensure strong action.
 - e) Future potential performance: The future growth potential of the routes will also be assessed based on emerging trends, such as industrial development and urban economic centres.
3. **Integrated Approach to the Development of Trade Routes:**
 - a) Analysis of the network effects of the prioritised trade routes: Instead of assessing the effects of single trade routes, it would be useful to evaluate the benefits of connectivity among trade routes that could spill over or expand within and beyond a geographical area, as well as the missing links in the existing network. Such analysis should also include linkages of these prioritised trade routes with countries beyond ASEAN.

- b) Potential requirements of the trade routes prioritised as part of the economic corridor development: The development of trade routes and subsequently economic corridors involves systematic and coordinated planning, as well as policy and institutional changes in support of physical and institutional connectivity along the trade routes and economic corridors.

4. Development of an ASEAN Database on Trade Routes:

- a) Preparation of the set of information and statistics needed for analysis of each prioritised trade route: The database will initially be developed for use by policymakers with a view to making it public in the future.
- b) Data collection: Types of information or data to be collected could include basic information of AMS, such as information on road (road network, traffic demand, number of lanes, surface conditions, vehicle capacity ratios, etc.); available infrastructure; port (port location / network, lead time to ports; container movement, etc.); airport (airport location / network, lead time to airports frequency of flight, etc.); railway (railway network, etc.); institutional arrangement / policies and regulations (customs procedures, transit, regulations, legal system, etc.); and development directions of the trade routes.
- c) Visualisation of Database: Database and graph visualisations will be developed to convey the content of each trade route and its connectivity. They can highlight patterns, show clusters and connections, and develop networks.

5. Development of framework for enhancing supply chain efficiency:

- a) Conduct desk research on existing frameworks assessing supply chain performance, such as APEC Supply Chain Facilitation Action Plan, World Bank's LPI, and the work undertaken by ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC), among others. The desk research will also consider the existing use of Intelligent Transportation Systems (ITS) (in which information and communication technologies are applied in the field of road transport, including infrastructure, vehicles and users, and in traffic management and mobility management, as well as for interfaces with other modes of transport) and the use of Global Navigation Satellite Systems (GNSS) in transport management and supply chain visibility (tracking of air cargo and containers) in the EU;
- b) Develop draft framework for enhancing supply chain efficiency:
 - i) Identify challenges and bottlenecks;
 - ii) Identify key principles and "facilitation measures or actions" to enhance supply chain efficiency;
 - iii) Develop work streams for each "facilitation measure or action", leveraging on existing work undertaken in those areas; and
 - iv) Develop key measurement elements, such as internal indicators, external indicators and periodic self-assessment survey, to evaluate the performance of supply chain.

- 6. **Completion Report**: The report finalises all project activities completed, capture learning from the project and provide ideas for follow-on projects.

IV. Tasks/Activities

The following activities will need to be undertaken to achieve the outputs presented above. The bidder should provide details on its approach to each activity in its bid and is free to recommend additional activities or revise these activities according to the proposed approach.

	Output	Activity	Person working weeks	Completion Date	Person(s) responsible
1	Inception Report	Setting out overall approach to identify and develop the trade routes (demand-driven approach preferred), the opportunities to develop network of trade routes, work plan, management plan and budget.	4 person working weeks (or 2 calendar weeks)	2 weeks after signing of a Special Services Agreement (SSA)	Consultant to draft the report, with input from ASEC
		Circulate, revise and finalise the Inception Report based on feedback, if any.			
<i>Approval of Inception Report by SEOM, STOM and ACCC / ASEC (4 working weeks)</i>					
2	Identification and prioritisation of 5 trade routes and 5 products or commodities for each trade route	Develop criteria for prioritisation of trade routes and products.	4 person working weeks (or 2 calendar weeks)	Week 4 (Month 1)	Consultant, with input from ASEC
		<ul style="list-style-type: none"> Consult key stakeholders, including the ACCC, SEOM, STOM, and other relevant sectoral bodies. This consultation will be done through meetings, conference calls, where appropriate. Prepare the initial priority trade routes and products, with analysis of trade demand, potential impacts of future changes in trading patterns and industrial development. 	28 person working weeks (or 3 calendar months)	Week 16 (Month 2 to 4)	Consultant to undertake the stock-takings, reviews, and consultations, facilitated by ASEC
		Submission of report prioritising trade routes.	6 person working weeks (or 3 calendar weeks)	Week 19 (Month 5)	Consultant, with input from ASEC
<i>Approval of Report on Prioritising Trade Routes by SEOM, STOM and ACCC / ASEC (4 working weeks)</i>					
3	Integrated approach to the development of trade routes	Analyse the network effects of the prioritised trade routes.	8 person working weeks (or 4 calendar weeks)	Week 23 (Month 6)	Consultant

	Output	Activity	Person working weeks	Completion Date	Person(s) responsible
		Conduct a regional consultation workshop for prioritisation of trade routes: <ul style="list-style-type: none"> • Discuss and collect feedback and additional information on the preliminary results of the analysis of network effects and potential requirement of the prioritised trade routes; • Draft and submit a Workshop Report (i.e. proceedings, issues discussed, preliminary recommendations and next steps); and • Circulate, revise and finalise the Workshop Report based on feedback, if any. 	8 person working weeks (or 4 calendar weeks)	Week 23 (Month 6)	Consultant to make all programmatic (content) and logistical arrangements, facilitated by ASEC
		<ul style="list-style-type: none"> • Prepare potential requirement of the prioritised trade routes as part of the economic corridor development. • Submission of report on Integrated Approach to the Development of Trade Routes 	16 person working weeks (or 2 calendar months)	Week 31 (Month 7 to 8)	Consultant
<i>Approval of Regional Workshop Report by ASEC (2 working weeks)</i> <i>Approval of Report on Integrated Approach to the Development of Trade Routes by SEOM, STOM and ACCC / ASEC (4 working weeks)</i>					
4	Development of an ASEAN database on trade routes	Preparation of the set of information and statistics needed as well as data collection.	32 person working weeks (or 4 calendar months)	Week 47 (Month 9 to 12)	Consultant
		<ul style="list-style-type: none"> • Visualisation and development of database. • Submission of report on ASEAN Database on Trade Routes 	32 person working weeks (or 4 calendar months)	Week 55 (Month 11 to 14)	Consultant
		<i>Approval of Report on ASEAN Database on Trade Routes by SEOM, STOM and ACCC / ASEC (4 working weeks)</i>			
5	Development of framework for enhancing supply chain efficiency	Desk research and develop an approach to create a framework for enhancing supply chain efficiency, including the identification of key principles, challenges and bottlenecks.	24 person working weeks (or 3 calendar months)	Week 47 (Month 10 to 12)	Consultant
		Identify “facilitation measures or actions” to enhance supply chain efficiency.	12 person working weeks (or 6 calendar weeks)	Week 55 (Month 13 to 14)	Consultant

	Output	Activity	Person working weeks	Completion Date	Person(s) responsible
		Develop work streams for each “facilitation measures or actions”, leveraging on existing work undertaken in those areas.	12 person working weeks (or 6 calendar weeks)	Week 59 (Month 14 to 15)	Consultant
		Develop key measure elements, such as internal indicators, external indicators and periodic self-assessment survey, to evaluate the performance of supply chain.	12 person working weeks (or 6 calendar weeks)	Week 65 (Month 15 to 16)	Consultant
<i>Approval of Report on the Development of Framework for Enhancing Supply Chain Efficiency by SEOM, STOM and ACCC / ASEC (4 working weeks)</i>					
6	Project Completion Report	Report synthesising and finalising various components of the project. The Report should record the project achievements against the original intended purpose, if any; work plan and outputs. It should also elaborate on the impact, conclusions, lessons learned and recommendations.	4 person working weeks (or 2 calendar weeks)	Week 67 (Month 18)	Consultant, with input from ASEC
<i>Approval of Project Completion Report by ASEC (4 working weeks)</i>					

****** The number of person working weeks is intended to indicate the amount of relative effort required to deliver the corresponding outputs. The calculation is based on assumption of 5 person days per week. Actual time will be agreed in negotiation with the successful bidder.

V. Reporting

In addition to the project outputs, the consultant is expected to produce reports in accordance with Section III and IV above, which include:

- Inception Report
- Regional Workshop Report
- Project Completion Report.

The timing of delivery is indicative and can be adjusted when the consultant's work plan is developed, subject to mutual agreement.

All outputs and reports will be submitted based on AADCP II Guidelines for Contractors in draft format to ASEC with a copy to AADCP II. All outputs and reports must be suitable for publication, although the decision on publication lies with the ASEAN.

The contractor will also provide regular (weekly, bi-monthly or as agreed with ASEC) summation of activities undertaken and issues that have arisen. These will be submitted to ASEAN Connectivity Division and AADCP II via email.

Financial reports will be submitted at invoicing in line with a payment schedule to be specified in the Special Services Agreement (SSA).

VI. Project Management

The project will be funded by the AADCP II and managed by the ASEAN Connectivity Division of ASEC. The consultant should be responsible for organising and conducting the scheduled activities in collaboration with the host countries and the ASEC.

VII. Scope of Services

The consultancy will be undertaken over a **continuous effective period of eighteen (18) calendar months** with **202 person weeks/months** of professional services. Work will commence immediately after contract signing.

VIII. Qualifications

In its proposal the bidder should demonstrate:

- Good understanding and in-depth knowledge of ASEAN, ASEAN Community and ASEAN Connectivity;
- Thorough understanding, in-depth knowledge and research experience on supply chain, logistics and trade facilitation issues, trends and recent developments in the ASEAN region;
- National expertise in technical and practical issues related to supply chain, logistics and trade facilitation in AMS
- Experience working and having established networks with, but not limited to, relevant business associations and councils, manufacturers and logistics services providers;
- Proven track-record in working with multi-stakeholder in a participatory manner, including high-level government officials, bilateral and multilateral institutions, civil society and non-

governmental organisations (NGOs), particularly in consensus building and work plan facilitation;

- Proven track-record in data collection and information gathering (i.e. survey, research, etc.) and analysis, and framework development;
- Experience in database development with visual representation of data (VRD);
- Strong spatial and network analysis, and predictive modelling required;
- Good understanding of monitoring and evaluation (M&E) of development projects, particularly in outcome setting and identification of performance indicators;
- Partnership with entities/organisation with in-depth country-level knowledge and expertise is considered favourably; and
- An understanding of ASEAN Secretariat and AADCPII procedures will be considered added value.

Consortiums are welcome to bid for this project.

IX. Bidding

Interested consulting firms are invited to submit a proposal in response to these Terms of Reference. This proposal should be in two parts: **Technical** and **Financial components**.

The Technical component should present the following information:

- A brief discussion indicating the bidder's understanding of the needs of the project;
- A brief analysis of key issues;
- A methodological discussion of how the bidder proposes to address those needs including assessment of key issues, analytical strategies that will underlie the project, specific techniques to be utilised, and practical discussion of possible limitations in carrying out the project;
- A detailed work plan that specifies activities to be undertaken, expected outputs and deliverables, resources to be utilised and timing;
- Staffing and management plan;
- A discussion on how measures to ensure the future sustainability of the outcomes of the project will be addressed;
- CVs of all proposed experts;
- Brief discussion of firm's past experience in undertaking similar work and brief summaries of all projects undertaken; and

The Financial component should specify:

- 1) Professional fees of expert(s);
- 2) Management and/or operational fees (if any), which include all costs incurred by the person/entity/company for internal coordination, communication, travels and any other associated project management cost;
- 3) Applicable taxes such as VAT, GST, PPN. See Section IX point 3 for an additional note on tax liability.

Activity costs for experts and participants such as reimbursable expenses for airfare, other travel costs and daily subsistence allowance for workshops, meetings, and all other agreed activities do not need

to be included in the Financial Component. These items will be discussed with the preferred contractor during the finalisation of the scope of services. Costs will be based on prevailing ASEC rates.

X. Submission of Application

Applicants should send their application with a cover letter, materials specified in Section IX above and other supporting documents with “**Development of ASEAN Database on Trade Routes and Framework for Enhancing Supply Chain Efficiency**” as the subject via email to tender@aadcp2.org, no later than **Thursday, 2 May 2019 at 05:00pm Jakarta time**. Note that the Technical Component and the Financial Component of the bid should be sent as two separate files.

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 ‘Development of ASEAN Database on Trade Routes and Framework for Enhancing Supply Chain Efficiency’**.

IX. Additional Notes on Terms and Conditions of the Project

1. Any future studies/reports/analysis in any form of intellectual property rights (including but not limited to patents, copyright and any related rights) submitted by the Contractor to ASEAN arising out of or in connection to the services performed by the Consultant to ASEAN shall belong to ASEC under the name of **ASEAN** only;
2. Successful bidder shall agree to be bound and sign the Special Services Agreement (SSA) with all requirements under the terms and conditions provided therein, including but not limited to the AADCP II Guidelines for the Contractors attached to the SSA.
3. As an intergovernmental organisation, ASEAN shall not be responsible for any tax(es), levy, tax claim or any tax liability which may be imposed by any law in relation to any amount payable by ASEC.