



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

**TERMS OF REFERENCE
FOR
ASEAN at 50, A Historic Milestone for FDI and MNEs in ASEAN**

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

I. Background

The magnitude and pattern of FDI flows to ASEAN have changed beyond recognition over the past 5 decades. From a region receiving FDI flows of less than \$0.5 billion per annum in the 1960s, fast-forwarding through 50 years of economic and policy achievements has catapulted ASEAN to one whose receipts exceeded \$113 billion in 2014.

In 2014, ASEAN became the largest recipient of FDI flows in the developing world. These numbers underline the growing competitiveness and attractiveness of ASEAN for FDI, international production and a region thoroughly interwoven into global value chains, across all sectors and industries. The strategy of Multinational Enterprises (MNEs) operating in the region has also transformed beyond recognition, from one focused primarily on separate country markets to a region-wide integrated approach, boosting supply chain connectivity and economic development.

ASEAN Member States (AMS) had been cooperating on investment issues long before the signing of the AFTA agreement in 1992, and this expanded later on the ASEAN Investment Area (AIA) Agreement in 1998, and more recently the ASEAN Comprehensive Investment Agreement (ACIA) in 2009. Since then, ASEAN has made significant strides in improving the investment environment and competitiveness of the region in attracting FDI – with regional cooperation going from strength-to-strength.

These past 50 years of FDI experience and development represent a major success story for and of ASEAN. On balance, the participation of MNEs has been advantageous for the region. Against this background, the outlook for the region is promising given favourable corporate attitudes towards ASEAN and the commitments of AMS towards the ASEAN Economic Community (AEC).

But ASEAN cannot rest on its laurels. The next 50 years present many opportunities and risks. Nevertheless, with a fully informed understanding of MNEs' global strategies, relevant industrial and technological developments, and the role that ASEAN plays in global and regional chains it is possible to map potential future FDI trends and patterns in the region.

To commemorate ASEAN's 50th anniversary, this project will produce a report, "*ASEAN at 50: A Historic Milestone for FDI and MNEs in ASEAN.*" The report will be published and widely disseminated to ASEAN stakeholders and the general public.

This publication contributes in marking the 50th Anniversary of ASEAN by analysing the success of the

region in attracting FDI over the last five decades and tapping MNEs as engines for regional economic development. By focusing on key themes, the publication will evaluate what has been achieved, explain how challenges have been addressed, and offer an analysis of FDI and MNE development in the context of the AEC.

With an understanding of MNEs' global strategies, relevant industrial and technological developments, and the role that ASEAN plays in global and regional chains, it is possible to map potential and future FDI trends and patterns in the region. By examining and synthesising the institutional development and other efforts made in attracting FDI from a regional integration perspective, this publication is expected to lead to better understanding and appreciation of ASEAN by the international investment community and other stakeholders.

II. Needs and Objectives

The overall objective would be:

- to commemorate ASEAN's 50th anniversary with a substantive analytical report documenting ASEAN's achievements in FDI/MNEs since its inception that could be published and widely disseminated to ASEAN stakeholders, international investment community and the general public;
- to achieve a considerably improved appreciation by stakeholders of the dynamics and rapid growth of the region, including industrial developments in relation to FDI activities and MNEs;
- to provide ASEAN governments policy options and policy design based on the analyses of the past 50 years to feed into the ACIA and AEC processes to further strengthen the competitiveness of the region (as policy audit) and in attracting FDI from a regional integration perspective; and
- to provide relevant stakeholders information and reference materials on FDI/MNEs in ASEAN, which ASEAN sectoral bodies can use in designing future work programmes, and for universities/academic institutions to utilise as a background document for teaching international business and industrial development in ASEAN.

III. Outputs

The main output will be a publication to mark the 50th anniversary of ASEAN entitled: "*ASEAN at 50: A Historic Milestone of FDI and MNEs in ASEAN*," that presents data and analysis on FDI flows in the region over the last five decades, tapping MNEs and ASEAN companies as engines for regional economic development, by presenting an evaluation on what has been achieved, how challenges have been addressed, and offer an analysis of FDI and MNE development in the context of the AEC in the process leading to stronger regional integration, regional production networks, by focusing on several key themes.

The report would look into the following key themes:

- ASEAN investment cooperation
- Overview of FDI and MNEs in ASEAN
- Evolution of FDI in manufacturing, services, agriculture
- The future of FDI and MNEs in ASEAN
- MNEs engagements with MSMEs in ASEAN

Other outputs, which may be culled or prepared based on the main report include:

- Stand-alone overview (Executive summary)

- Case studies
- Datasets, charts, infographics
- Presentation material, including a Prezi-based online interactive presentation

These derivative outputs may be used to highlight specific points and may be considered for separate publication later on.

Apart from the main report, activity/progress reports as described in Section V: Reporting would be required to be produced:

- Inception report
- Workshop report/Presentation to sectoral bodies
- Project completion report

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.

	Output	Activity	Person working weeks	Completion Date	Person(s) responsible
1	Inception Report	Prepare Inception Report including: <ul style="list-style-type: none"> development of the over-all approach for the delivery of the expected outputs annotated outline of the study 	0.5	Month 1 2 weeks after contract signing	Consultant with feedback from ASEC and AADCP II
		Conduct Inception Meeting (via Skype or other online platforms) with ASEAN Secretariat and AADCP II, if needed		1 week after submission of draft Inception Report	
		Revise/finalise the Inception Report based on comments		end of Month 1	
<i>Approval of Output 1: Inception Report by ASEC (3 working weeks)</i>					
2	Draft ASEAN at 50	Conduct research/information gathering, field work, missions, meetings, interviews)	12	Months 2-4	Consultant with inputs from AMS, ASEC and AADCP II
		Analysis of data			
		Prepare main report based on results of desk top and field visits			
		Submit and circulate draft report			
		Present draft report to CCI			
<i>Approval of Output 2: Draft Main Report by ASEC (3 working weeks)</i>					
3	Revised and Final Versions of ASEAN at 50	Revise draft report based on comments received	3	Month 6	Consultant with inputs from AMS, ASEC and AADCP II
		Submit revised report			
		Circulate revised report for comments			
		Finalise report based on further feedback, if any and submit for approval	1		
4	Report Production,	Prepare printer ready copy for printing	1	Months 7-9	Consultant with feedback from ASEC

	Launch and Dissemination	Launch and disseminate ASEAN at 50			and AADCP II
<i>Approval of Output 3: Revised and Final Main Report by ASEC (3 working weeks)</i>					
5	Infographics and related ASEAN at 50 materials	Prepare of the infographics and Prezi presentation materials	3	Month 10	Consultant with inputs from AMS, ASEC and AADCP II
6	Project Completion Report	Draft Project Completion Report (PCR): <ul style="list-style-type: none"> • Review and assess project performance against plan – what happened, what was learned, what went well and did not go well • Describe project successes • Describe the lessons learned • List further actions that can be taken 	0.5	2 weeks after completion of main Report	Consultant with feedback from ASEC and AADCP II
		Circulate for comments and revise as needed			
<i>Approval of Outputs 5 and 6: Infographics and Project Completion Report by ASEC (3 working weeks)</i>					

V. Reporting

The consultant is expected to produce reports in accordance with Section III and IV above. The timing of delivery is indicative and can be adjusted when the consultant's work plan is developed, subject to mutual agreement.

No.	Reports	Target Delivery Date
1	Inception Report Development of the overall approach to the delivery of the expected outputs This would detail the consultant's approach to the project and provide a detailed work plan	Two weeks after contract signing
2	Workshop Report/Presentation In line with the various outputs which would be presented in the consultative workshop/presentation to sectoral body, a workshop report would be prepared	Within two weeks prior the conduct of the presentation to sectoral body
3	Project Completion Report The Project Completion Report will establish a record of the project achievements against the project's original intended purpose and outputs. It is intended to assist in assessing impact, draw out conclusions and lessons learned that may be valuable in designing new related initiatives	Within two weeks of completion of the Experts' output (main Report)

All reports will be submitted based on AADCP II Guidelines for Contractors in draft format to the ASEAN Secretariat, Services and Investment Division (SID) (with a copy to AADCP II) and, following ASEC approval, in final form. 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 Services and Investment Division (SID) 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 ASEAN-Australia Development Cooperation Program II and managed by the Services and Investment Division (SID) of the ASEAN Secretariat. The consultant should be responsible for organising and conducting the scheduled activities in collaboration with the host countries and the ASEAN Secretariat.

VII. Scope of Services

The consultancy will be undertaken over a **continuous effective period of 10 (ten) calendar months** with approximately **21 (twenty-one) person weeks** of professional services. Work will commence immediately after contract signing.

VIII. Qualifications

In its proposal the consultant(s) should demonstrate:

- Thorough understanding and in-depth knowledge FDIs and MNEs, and has done extensive research work in these areas;
- In-depth knowledge of economic, trade, investment and regional integration issues, especially within ASEAN;
- Proven track record of experience in economic and industry research;
- Thorough understanding of ASEAN and its work on economic community building;
- Adequate knowledge of and balanced exposure to ASEAN economies;
- Have extensive experience in policy making and providing policy advice to governments and have considerable exposure and network with the industries and industry players/associations;
- Established links and networks with business associations across Member States, as well as links with research networks/institutions or market research groups in different parts of ASEAN; and,
- Proven skills in writing and conversing in English.

A thorough understanding of ASEAN cooperation framework, the ASEAN Secretariat and AADCPII procedures will be considered added value.

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.

The Financial component should specify professional fees of experts.

Other 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 will be discussed with the preferred contractor during the finalisation of the scope of services. Costs will be based on prevailing ASEC rates (in USD).

X. Submission of Application

Applicants should send via email tender@aadcp2.org and mail/courier 4 (four) printed copies of their application with a cover letter, materials specified in **Section IX** above and other supporting documents to ASEAN Australia Development Cooperation Program II, ASEAN Secretariat 2nd Floor, Jl. Sisingamangaraja 70A, Jakarta 12110, Indonesia, indicating "**ASEAN at 50, A Historic Milestone for FDI and MNEs in ASEAN**" as the subject no later than **31 January 2017**, 5:00pm (Jakarta time). Please note that only short-listed candidates will be notified.

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

Any queries on the TOR should be sent to contact@aadcp2.org with the subject line: "**ASEAN at 50, A Historic Milestone for FDI and MNEs in ASEAN**".

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 the ASEAN Secretariat.