



ASEAN-AUSTRALIA DEVELOPMENT COOPERATION PROGRAM (AADCP) PHASE II

TERMS OF REFERENCE FOR

Mid-term Review of the ASEAN Strategic Action Plan for SME Development 2016 - 2025
(SAP SMED 2025)

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

I. Background

Micro, small and medium enterprises (MSME) in ASEAN Member States (AMS) account for the bulk of business establishments and contribute significantly to employment and income generation. Their presence enhances the pool of suppliers, strengthen industrial linkages and contribute to developing industries, which in turn help support a country's investment environment. But despite their massive number, few MSME have managed stay viable, expand and internationalize. They are greatly vulnerable to shocks, as evidenced by the current global pandemic.

Strengthening the role of MSME is an element under Characteristic D (i.e., A Resilient, Inclusive, People-Oriented and People-Centered ASEAN) of the ASEAN Economic Community (AEC) Blueprint 2025¹. The ASEAN Strategic Action Plan on SME Development 2016 – 2025 (SAP SMED 2025)² was adopted in November 2015 as the instrument to assist in the implementation of strategic measures to enhance MSME competitiveness, resilience and to enable greater benefits from ASEAN integration. The SAP SMED 2025 was designed to pave the way for initiatives towards improved conducive policy environment for MSME and enhanced market-related measures to drive MSME productivity and innovation as well as inclusive and equitable development, and gender opportunities for micro enterprises and SME. The overall mission of ASEAN's MSME development effort is to create globally competitive, resilient and innovative MSME that are seamlessly integrated to ASEAN community and to ensure inclusive development in the region, through the achievement of five strategic goals:

- Strategic Goal A: Promote Productivity, Technology and Innovation;
- Strategic Goal B: Increase Access to Finance;
- Strategic Goal C: Enhance Market Access and Internationalisation;
- Strategic Goal D: Enhance Policy and Regulatory Environment; and
- Strategic Goal E: Promote Entrepreneurship and Human Capital Development.

Initiatives, programmes and policies are formulated in alignment with the strategic goals, with the aim to achieve twelve desired outcomes, through the implementation of 61 action lines by the end of 2025. Nearing the end of the first half of the implementation period, the ASEAN Coordinating Committee on MSME (ACCMSME) at its 8th Meeting agreed that one of its priority deliverables for 2020 would be to complete the mid-term review of the SAP

¹ Available at: <https://asean.org/wp-content/uploads/archive/5187-10.pdf>

² Available at: <http://asean.org/wp-content/uploads/2015/12/SAP-SMED-Final.pdf>

SMED 2025.

The mid-term review (MTR) and evaluation covering the period of 2016-2020 would be conducted to monitor progress and evaluate outcomes/impacts of initiatives implemented under the SAP SMED 2025. The ACCMSME, with the support of the ASEAN Secretariat (ASEC), has been tracking implementation of the action lines, mainly in the form of compliance monitoring (as depicted at the base of the pyramid in the figure below) and output-level assessment. This exercise report on the number of action lines completed / addressed or expected to be completed by targets as stipulated in the SAP SMED 2025. As part of the mid-term review, an initial assessment of outcome-level progress and achievements has begun and targeted to be completed within the first semester of 2020. The result of the assessment will be shared with the selected consultant.



Figure 1: Structure of the SAP SMED 2025

Other initiatives have also taken place to monitor SAP SMED 2025 implementation, including Baseline Survey / Phase 1 (2016-2017) and Phase 2 (2018-2019-2020) through a KPI monitoring project undertaken by Pricewaterhouse Coopers. Through these projects, a set of macro-level KPIs were selected vis a vis the five strategic goals. The baseline figures were compiled at the beginning of the SAP SMED 2025 implementation, while the second phase of the projects compiled updated figures towards the first half of implementation. These figures will contribute towards assessing the effectiveness of initiatives and policies put in place, and the MTR will utilise these existing data **and collect new data as needed** to gain a deeper understanding on the results and benefits of SAP SMED 2025 and identify recommendations to improve SAP SMED 2025 and its implementation.

The MTR will explore:

- How much progress have been made towards the desired outcomes? Which of the Actions and Action lines are completed?
- Did the programmes under completed Action Lines reach out to the intended beneficiaries? Were the programmes relevant to the achievement of the desired outcomes?
- Do we have sufficient Action and Action Lines to deliver the desired outcomes? Is there justification to further refine or prioritise the outcomes? Should guidelines be developed to strategise and prioritise implementation?
- Are the Actions and Action Lines still relevant, taking into consideration any changes

- in context and current progress? Are there new ones that can be added?
- Are the KPIs still effective for measuring progress towards both the vision and the desired outcomes?
- Have all the stakeholders been appropriately engaged during the planning to implementation? Should guidelines be developed to manage the level of engagements with these stakeholders?
- Have sufficient resources been mobilised and can they be sustained to support the initiatives?
- Where progress is slow, why did this happen? What can be improved?
- Are the desired outcomes relevant at the regional level?

Specifically, the MTR will perform the following:

- Context analysis:** Identify changes in the context, including changes in national priorities, relevant regional priorities, global developments and emerging megatrends such as the 4IR, the Digital Economy, Sustainable Development Goals (UN SDG 2030), Circular Economy and Inclusive Business, role of micro-enterprises and Start-ups, etc., and determine how SAP SMED 2025 and its implementation arrangements can respond to these issues at a practical level.
- Output and outcome-level assessment:** Assess overall progress made in delivering the SAP SMED 2025, particularly focusing on the SAP SMED Action and Action Lines, and identify indications of advances towards achievement of desired outcomes. This may also include some form of assessment based on proposed output and outcome “indicators” to assess the impact of activities targeting enterprises and those targeting policy makers, and an assessment of all the annual priority deliverables produced through ACCMSME’s work since 2016 (qualitative narrative on its contribution towards achieving the five strategic goals). Example of output indicators collected include number of programmes organised, number of beneficiaries, number of publications / reports produced; while outcome indicators proposed include percentage of increase of related KPIs, and relevance of publications / reports in formulation of regional and national strategies. This assessment will be done mostly by ASEC and ACCMSME in the first semester of 2020. Additional data collection and analysis for this assessment can be undertaken together with the consultant, if required.
- Assessment of implementation arrangement:** Analyse the current implementation arrangement to identify potential measures to increase efficiency and effectiveness of SAP SMED implementation. This activity will review and map all relevant ASEAN bodies and agencies at the national and regional level and their respective roles/involvement in the development of MSMEs corresponding to the strategic goals of the SAP SMED 2025 with a view to improve coordination, enrich content of the SAP SMED 2025 programs and activities, and identify resources that could be tapped.
- Overall data analysis**, which will
 - Identify drivers and success factors as well as constraints and challenges that cause delay, lessons learned and areas requiring further work or reform;
 - Assess how SAP SMED 2025 can better respond to changing context, emerging needs and issues;
 - Identify how to promote effective implementation of SAP SMED 2025.
- Development of recommendations:** Produce a set of concrete, actionable

recommendations to improve the SAP SMED 2025 including possible refinement of its desired Outcomes, Actions, Action Lines and Roadmap (including timeline), and measures to strengthen its implementation arrangement.

II. Needs and Objectives

The goal of the mid-term review is to assess and ensure effective implementation and the achievement of the objectives of SAP SMED 2025.

It should highlight main achievements and weaknesses; lessons learnt and points out potential avenues for improving the Action Plan in future. Furthermore, the mid-term review is expected to assess changes in context corresponding to current issues for example, 4IR and digitalisation, circular economy, sustainable development goals and most recently, impact of regional/global crisis that threatens the sustainability of businesses especially smaller business, and make recommendations to ensure the relevance of ACCMSME's works for the remaining of the SAP SMED implementation period.

This project will produce a **Report on the MTR of the implementation of the SAP SMED 2025**, which is expected to:

- enable key stakeholders, particularly ACCSME, to make informed decisions in improving implementation effectiveness and performance of the Action Plan;
- assess overall progress made in delivering SAP SMED 2025, through verification and validation of indicators of completion towards achievement of outcomes;
- identify changes in the context, taking into consideration current social and economic issues impacting the relevance of SAP SMED 2025;
- identify drivers and success factors as well as constraints and challenges that cause delay, lessons learned and areas requiring further work or reform; and,
- produce a set of actionable and concrete recommendations towards improvement of the SAP SMED 2025 and moving it forward.

III. Outputs

The main output of this project is the Mid-Term Review Report of SAP SMED 2025. The output will be delivered in stages:

1. **Interim Report**, summarising the result of data collection, initial-stage data analysis, desktop reviews and stakeholder consultations (where necessary). The interim report should cover:
 - (i) An assessment of overall progress made in implementing the SAP SMED 2025 to date;
 - (ii) Indications of advances towards achievement of outcomes;
 - (iii) Changes in the context/circumstances affecting implementation;
 - (iv) Success factors and constraints that cause delay, lessons learned and areas requiring further improvement or adjustment.
2. **Final Report** of the MTR - upon consulting the interim findings with stakeholders, the findings would be used as the basis to develop the MTR in two versions, Internal Report and Public Report.
 - a. **Internal Report** containing the complete result of data collection, analysis, desk top reviews and recommendations;
 - b. **Public Report** - a shorter (10-15 pages) version of the internal report, edited and formatted (including design of publication) for general audience.

As part of the context analysis, the MTR has to reflect gender, environmental and social inclusion impacts. The SAP SMED 2025 identified promotion of entrepreneurship and human capital development, particularly for youth and women, as one of its desired outcomes. However, the issues mentioned are cross-cutting issues and should be addressed across the strategic goals of SAP SMED 2025. To measure progress against this outcome, the MTR will identify the necessary indicators and use them accordingly in the data collection and analysis. Therefore, the consultant will need to ensure that these issues are included as a best practice in the assessment of existing MSME systems and the formulation of future directions. In particular, the work should reflect equity in access to MSME opportunities between urban and rural dwellers, among different income classes, male and female and youth, but should also include clear guidelines for ensuring that cross-cutting impacts are addressed in the implementation and enhancement of the Action Plan. The MTR may also suggest how issues such as gender equality, women's economic empowerment, environmental sustainability and social protection can be better articulated in the SAP SMED 2025.

The result of this MTR will help stakeholders determine the next steps to move forward desired outcomes.

In addition to the main outputs, the following reports will have to be submitted:

1. **Inception Report**, produced at the inception of the project outlining the conceptual framework and methodology to be used to conduct the mid-term review process, detailed work plan, management plan and budget;
2. **Workshop Agenda** for a two-day workshop during which the preliminary assessment and data analysis will be presented and a collective assessment among stakeholders will be facilitated and conducted;
3. **Workshop Report**, as applicable, describing the event proceedings, notes and recommendations, if any; and,
4. **Project completion report**, to finalise all project activities completed, capture learning from the project and to handover raw data collected throughout project implementation period.

IV. Tasks/Activities

Given the exploratory nature of the MTR, multiple methods may be used to obtain the needed information from AMS (e.g., literature review, desktop research, questionnaire survey, focus group discussion, and conduct of interviews whether virtual or face-to-face.). Baseline information coming from surveys and consultations conducted from earlier initiatives would have to be reviewed to determine what additional information and data can be collected from AMS.

It is envisioned that a consultative workshop will be conducted which will be facilitated by the selected experts/bidders.

Bidders are expected to design their own work plans ensuring delivery of the desired outputs, taking into account the potential hindrances and delays posed by the COVID 19 pandemic. The bidder should provide details on its approach, specific activities, corresponding number of working days, expected completion dates and person(s) responsible. A summary will have to be presented in the form of a tabulated work plan to indicate the following information:

- Deliverable output or report
- Activities to be undertaken for each deliverable

- Person working days
- Timeline for completion/ target completion date
- Person/s responsible in the team

The eventual project implementation design will be determined in consultation between ASEC, AADCP II and the winning bidder during the inception stage.

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	Week 2
2	Interim Internal Report	Week 11
3	Workshop Agenda & Workshop Report	Week 4 & Week 9
4	Final MTR Report	Week 24
5	External MTR Report	Week 32
5	Project completion report	Week 34

All reports will be submitted based on AADCP II Guidelines for Contractors in draft format to the ASEAN Secretariat, Enterprise and Stakeholders Engagement Division (with a copy to AADCP II) and, following ACCMSME's approval, facilitated by ASEC, 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 Enterprise and Stakeholders Engagement 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 ASEAN-Australia Development Cooperation Program II (AADCP II) and managed by the Enterprise and Stakeholders Engagement Division (ESED) of the ASEAN Secretariat, in consultation with the AADCP II Program Planning and Monitoring Support Unit (PPMSU).

The ESED, with oversight support from AADCP II, will be responsible for the overall management of the project. It will work closely with AADCP II PPMSU in the selection of external consultant(s) for the project, in ensuring the timely delivery of planned activities and key deliverables of the project, and in ensuring efficient reporting and disbursement of funds.

The Division will act as the ASEC key focal point for the project. It will:

- manage project implementation, and together with AADCP II, monitor progress of the

consultancy work;

- provide technical supervision to the project;
- assist/facilitate introductory consultation meetings with key Member States focal points; and
- provide over-all guidance on the presentations and meetings.

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 an **effective period of nine calendar months** with approximately **sixteen-person weeks** of professional services. However, given the current circumstances, the duration may be extended for up to 12 calendar months. Work will commence immediately after contract signing.

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.

VIII. Qualifications

In its proposal the bidder (preferably an entity) should demonstrate experience and availability of the following skills and competencies:

- knowledge of formal approaches and methods in monitoring and evaluation (M&E), including ability to organise, analyse and interpret available data;
- expertise in developing M&E frameworks and systems, particularly identifying indicators and means of verification (MOV);
- deep understanding of the development of micro, small and medium enterprises (MSME), particularly policies, issues, and trends relevant to and impacting MSME development, especially in the ASEAN context;
- proven track record in research, survey, activity design and delivering technical assistance, including effective capacity-building, related to MSME;
- experience in evaluating the relevance and impact of cross-sectoral development initiatives, preferably for MSME at the regional level;
- demonstrated experience in mainstreaming gender (as well as understanding of the gender context in AMS) and social inclusion into socio-economic development programs and plans, particularly in livelihood programs;
- excellent communication skills for building rapport, facilitating participation and effective presentation of result especially during the stakeholder consultation workshop;
- competency in report writing and design;
- Having existing local networks or industry connections in AMS is beneficial;
- familiarity with ASEAN, ASEAN Economic Community, ASEAN Structure and implementation arrangements for ASEAN Strategic Plans is an advantage; and
- able to manage multiple parallel activities at the same time, accommodate delays and deliver results in a short timeframe.

A thorough understanding of ASEAN, ASEC and AADCPII procedures will be considered added value.

IX. Bidding

Interested entities are invited to submit a proposal in response to these Terms of Reference. This 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 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,
- Samples in soft copy attached to the application (or website link to samples) of relevant past work/ reports.

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; and,
- 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 "**Mid-term Review of ASEAN SAP SMED 2025**" as the subject via email to tender@aadcp2.org, no later than **29 May 2020 at 05:00pm, 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: Mid-term Review of the ASEAN SAP SMED 2025**."

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.