



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

### TERMS OF REFERENCE FOR

#### BENCHMARKING GUIDELINES ON UNIQUE BUSINESS IDENTIFICATION NUMBERS IN ASEAN MEMBER STATES – PHASE I

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

#### I. Background

The usage of single business registration numbers, leveraging information technology, (henceforth referred to as unique business identification numbers – UBIN) has been identified as one of the actions to improve the ease of doing business and has multiple benefits for the micro, small, and medium enterprises' (MSMEs) and governments. For enterprises, highly integrated and interoperable UBIN will significantly reduce the cost and time in starting a business and comply to regulations, and to a certain extent, encourage micro enterprises to choose formality instead of remaining informal. For the governments, improving delivery of public services, reducing administrative burdens, and strengthening regulatory governance should be the main drivers motivating policy reforms in this area.

Within ASEAN Member States (AMS), the use of UBIN and the degree of interoperability and accessibility among core business registration and authority agencies differ and there are rooms to promote for the mainstreamed usage of UBIN. Regionally, the establishment of regionally-interoperable UBIN encourages greater business mobility within the region and promotes greater access to cross-border financing.

ASEAN, through the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) developed the **ASEAN Work Programme on Starting a Business** ("**Work Programme**") to reduce restrictive regulations and simplify business registration process and procedures nationally and pave the way towards strengthening ASEAN cooperation and economic integration. The Work Programme focuses on four (4) components:

- (i) Enhance Transparency and Improve Orientation on Administrative Procedures;
- (ii) Develop Effective Coordination among Government Agencies Involved in the Business Start-Up Processes including One-Stop Agencies/Single Agency;
- (iii) Promote Simplification, Rationalisation of Business Registration Procedures, and Upgrading of National Company Registers; and
- (iv) Strengthen ASEAN Regional Cooperation including development of ASEAN Principles, Registries, Common Company Registration Procedures, and Benchmarks.

AMS have rolled out national reforms to streamline business registration processes. For example, Brunei Darussalam's reform is spearheaded by the Ease of Doing Business Steering Committee. Malaysia established PEMUDAH, the Special Task Force to Facilitate Business, a government initiative to facilitate business in Malaysia with public-private sector collaboration / consultation to discuss policies and regulatory processes. Viet Nam regularly

reviews its legal framework to simplify the business registration process. Examples include decrees promulgated under the Enterprise Law 2020, guiding the single-point coordination mechanism for business registration, declaration of labour use, granting social security ID for employers and registration for use of enterprise invoices. These national reforms positively impacted the ease of doing business environment in AMS. Nevertheless, advances in digital technologies have given rise to opportunities to simplify, automate and integrate the current processes.

This project intends to support ASEAN and the AMS gain deeper insight into the current state of play on business registration and licensing processes and procedures, using unique business identification numbers (UBIN) to unify and streamline these processes between agencies and authorities involved in the process. The project aims to study the extent of the usage of UBINS so that they can identify appropriate future actions and strategies to achieve outcomes as stated in the Work Programme.

Recommendations from the project will be developed with the view to streamline business registration and licensing processes in AMS through the mainstreaming of UBINS, and work towards closer ASEAN integration through the establishment of regionally comparable, recognised and accessible UBINS. Ultimately, this will translate into the establishment central repository / gateway of UBINS accessible within the region.

In addition to implementing the Work Programme on Starting a Business, the project is one of ASEAN's digital transformation initiatives through the Bandar Seri Begawan Roadmap (BSBR): ASEAN Digital Transformation Agenda to Accelerate ASEAN's Economic Recovery and Digital Economy Integration and ASEAN Digital Masterplan 2025.

## **II. Needs and Objectives**

The project will assess the current state of play in business registration and licensing processes in AMS focusing on the issuance and usage of UBINS to streamline the processes. It is important to note that this project forms part as a preliminary phase to establish regionally comparable and recognised UBINS in the region, in line with the last component of the Work Programme, and serve as the fundamentals to advocate for regional cooperation.

The project aims to gain deeper insights and understanding of the current landscape of business registration and licensing processes and procedures in each AMS, focusing on the deployment of UBINS, establish the business case for mainstreaming the usage of UBIN among the agencies and regulatory bodies involved in business registration and licensing, and laying the groundwork for regional cooperation, recommending pilot projects between ready and interested AMS. The said regional cooperation framework should be built on the existing UBIN systems used by the AMS.

In the long run, it is expected that this project will lead to the increased utilisation of digital business identities through UBIN, which in turn will improve cross-border trade for ASEAN businesses, promote trade and investment and access to finance.

The outputs produced through this project serve as the guiding document for the ACCMSME and Task Force to advocate for a regional mandate for the mainstreamed usage of UBIN, at the national level, and accessibility and interoperability of UBINS at the regional level.

Together with AADCP II, the ASEAN Secretariat's Enterprise and Stakeholders Engagement

Division (ESED) seek to engage the services of an entity or firm to support the preparation of the project key outputs, namely: i) Report on leading business registration and licensing practices; ii) Assessment of current registration and licensing practices and the business registration numbering in AMS, focusing on the usage of UBIN in facilitating inter-agency coordination; and, (iii) Benchmarking guidelines towards establishing UBIN in AMS.

### III. Outputs

#### **1. Report on the leading usage of UBIN in business registration and licensing practices.**

This report captures good practices of the usage of UBIN globally, particularly one that applies in a multi-country (regional) setting if any. It will highlight specific systems, institutional settings and processes that may be useful for enhancing business registration and licensing practices in the AMS.

It will also highlight the use cases of establishing regionally comparable and recognisable UBIN.

#### **2. Assessment of the current state of UBIN utilisation in streamlining registration and licensing practices and the business registration in AMS.**

This assessment will provide insight into the current landscape of UBIN utilisation in each AMS, particularly its adoption and accessibility by the agencies and authorities responsible for business registration and licensing processes, at the federal level. The report will assess the extent of implementation of UBIN in the AMS (i.e. early, mid, and advanced stages as sub groups)<sup>1</sup> across AMS. Assessment may be based on World Bank's UBI Maturity Model, but the consultant is free to propose other model/reference.

This assessment will establish a common understanding of what a regional UBIN would entail as well as the technical and governance set up required to implement such system. It may also clarify:

- the type and format of the national business registration number (or tax identification number depending on AMS), its structure i.e.: number of digits, prefix, suffix, serial number and their logics;
- the main bottlenecks/ difficulties in mainstreaming the adoption of the UBIN.
  - o Institutional (including legal and regulatory frameworks)
  - o Physical infrastructure
  - o Financial infrastructure
- the business case, benefits, risks and threats of the implementation of regional UBIN;
- the opportunities for regional cooperation to produce regionally-comparable UBIN, building on the current technical framework implemented in AMS;
- whether business registration agencies have the ability to implement the technical solutions to support interoperability, data sharing, cross-border access to UBIN and information attached to it, including implementing a high-availability, standards-based architecture;
- whether existing laws and regulations need to be updated to permit the cross-border use of the UBIN;

<sup>1</sup> AMS may also consider the use of UBI Maturity Models (World Bank. 2016, p.17)

This assessment should take into consideration the differential effects of the implementation of UBIN among micro and small, medium, and large enterprises in AMS. It may, for instance, identify communication strategy in reaching out to and incentivising the micro enterprises to register and be formally recognised.

### 3. Benchmarking Guidelines towards Establishing Unique Business Identification Numbers in AMS

For comparative purposes, the result of the AMS assessment will be compared with some of the global leading practices on the usage of UBIN as well as identify the factors that contributed to their successful implementation. Based on the foregoing, good practices, lessons and recommendations for each subgroup for improving and especially in furthering the use of the UBIN in the region will subsequently be prepared.

Outputs 1 and 2, may be considered as stand-alone outputs but would have to be integrated with output 3 for coherence.

## IV. Tasks / Activities

Outputs as stated in Section III, as well as additional reports (explained in Section V) should be delivered according to the indicative timeline below. The timing of delivery can be adjusted when the consultant's work plan is developed, subject to mutual agreement.

No.	Outputs and Reports	Target Delivery Date
1	Inception Report	Week 3
2	Report on leading business registration and licensing practices.	Week 5
3	Assessment of current registration and licensing practices and the business registration numbering in AMS, focusing on the usage of UBIN.	Week 12
4	Benchmarking Guidelines towards Establishing Unique Business Identification Numbers in AMS	Week 24
5	Project Completion Report	Week 25

In the process of delivering the outputs, multiple methods may be used to obtain the needed information from AMS (e.g., literature review, desktop research, questionnaire, focus group discussion, and conduct of interviews whether virtual or face-to-face). It is envisioned that a consultative Workshop / Meeting will be conducted which will be facilitated by the selected experts/bidders.

A proposed work plan is attached as **Annex I**; however, bidders are expected to adjust the proposed work plans ensuring delivery of the desired outputs, considering potential project risks and delays posed by COVID-19, and as it sees fit, based on the bidder's expertise and experience. 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, the leading ASEAN Member State, AADCP II and the winning bidder during the inception stage.

## **V. Reporting**

Apart from the outputs described in Section III, activity/progress reports would have to be produced including:

- Inception Report detailing the overall approach to the delivery of the expected outputs including detailed work and management plans;
- Project Completion Report summarising the project outputs, achievements/ shortfalls, learnings and recommendations;
- Workshop Reports; and
- Bi-monthly Progress Reports

All reports will be submitted based on AADCP II Guidelines for Contractors in draft format to the ASEAN Secretariat's ESED (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 (fortnightly, or as agreed with ASEC) summation of activities undertaken and issues that have arisen. These will be submitted to ESED 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 ESED of the ASEAN Secretariat in consultation with the relevant divisions and 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. AADCP II will monitor progress from the perspective of the use of AADCP II resources and timely delivery of outputs that are fit for purpose, and will provide advice to the ESED accordingly.

ESED will act as the ASEC key focal point for the project. It will, in consultation with the

relevant divisions in ASEC:

- 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 sectoral bodies; and
- provide over-all guidance on the presentations and meetings.

Project outputs (Output 1 and 4 – see [Section IV](#): Tasks / Activities) will be consulted with key sectoral bodies and entities ad-referendum and through focus group discussion. The sectoral bodies to be consulted include the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) and Task Force on Starting a Business in ASEAN as the lead sectoral body, and the ASEAN Coordinating Committee on Investment (CCI), ASEAN Coordinating Committee on E-Commerce and Digital Economy (ACCED), as well as the ASEAN MSME Advisory Board.

The consultant should be responsible for organising and conducting the scheduled activities in collaboration with the leading ASEAN Member State and the ASEAN Secretariat. The designated project manager shall be the single point of contact between ASEC and the project team.

AADCP II will conclude at the end of 2022. Once it concludes, support for this project will be provided through its successor program, the Australia for ASEAN Futures (Economic and Connectivity), subject to the program's approval which is anticipated during the last quarter of 2022.

## VII. Scope of Services

The consultancy will be undertaken over a **period of up to 100 person-days, spread out over approximately seven calendar months** 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 people working weeks is intended to indicate the amount of relative effort required to deliver the corresponding outputs. The calculation is based on assumption of five 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, both management and technical:

- The proposed team members should possess expertise in the areas of information systems, business administration, business management, management engineering, computer science, or related fields. Team is expected to be led by a project manager with at least five (5) years of project management experience on projects of similar scale and complexity;
- Deep understanding of policies and issues surrounding MSME, particularly those related to ease of doing business reforms, especially in the ASEAN context;
- Demonstrated knowledge and preferably have overseen and implemented digital business identities and business regulatory projects (e.g. review of process or development of systems) in the AMS, as well as those implemented internationally;

- Experienced in the development of digital business identities, with understanding on both the governance and technical aspects in advocating and setting up such initiatives;
- Proven track record in policy formulation, research, survey and activity design, data analysis as well as delivering technical assistance in investment, business and entrepreneurship, particularly those related to MSME;
- Excellent communication skills for building rapport, facilitating participation and effective presentation of result especially during the stakeholder's consultation workshop;
- Proven skills in report writing;
- 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 this TOR. 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 underline 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:

- Professional fees of expert(s);
- 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,
- 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 “Benchmarking Guidelines on Unique Business Identification Numbers in AMS – Phase I” as the subject via email to [tender@aadcp2.org](mailto:tender@aadcp2.org) , no later than **2 October 2022** 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](mailto:contact@aadcp2.org) with the subject line: **“Query: Benchmarking Guidelines on Unique Business Identification Numbers in AMS – Phase I.”**

#### **XI. 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.



## Annex 1: Work Plan

OUTPUTS	ACTIVITIES/TASKS	Person Working days	Duration in calendar weeks	TIMELINE (IN MONTHS)							RESPONSIBLE ENTITY
				M 1	M 2	M 3	M 4	M 5	M 6	M 7	
Inception Report	Organise Inception Meeting with consultant	10	Within one week post-SSA signing								ASEC, Consultant, AADCPII
	Draft Inception Report which will include <ul style="list-style-type: none"> <li>• approach to the assignment</li> <li>• initial review of related literature and data gathering</li> <li>• proposed methodology and parameters of the stocktaking exercise.</li> <li>• proposed stakeholders to be consulted.</li> <li>• outline of the benchmarking guidelines</li> </ul>		Three weeks post-SSA signing								Consultant
	Circulation of the Draft Inception Report for review		2 weeks								ASEC to circulate to Task Force (TF), ACCMSME, CCI, ACCED, AMAB
	Revision/Finalisation of the Inception Report	2	1 week								Consultant
	Finalisation of revised inception report		1 week								ASEC to circulate to TF, ACCMSME
Report on leading business and licensing registration	Conduct desk study to: <ul style="list-style-type: none"> <li>• Review experience of countries which have leading or good registration and licensing practices</li> <li>• Identify the supporting factors that contribute to their success</li> </ul>	5	2 weeks								Consultant

OUTPUTS	ACTIVITIES/TASKS	Person Working days	Duration in calendar weeks	TIMELINE (IN MONTHS)							RESPONSIBLE ENTITY
				M 1	M 2	M 3	M 4	M 5	M 6	M 7	
practices											
Assessment of current registration and licensing practices and the business registration numbering in AMS, focusing on the usage of UBIN in facilitating inter-agency coordination	<b>Desk Review</b> <ul style="list-style-type: none"> <li>Review of AMS procedures and practices based on existing reports and documentation and identify successes and challenges. To utilise AMS submission to the monitoring worksheet of the Work Programme on Starting a Business as one of the reference materials.</li> <li>Identify business case of utilisation levels.</li> </ul>	10	2 weeks								Consultant
	<b>Key Informant Interviews (KII)<sup>2</sup></b> <ul style="list-style-type: none"> <li>Develop key informant lists and interview questions</li> </ul>	5	2 weeks								Consultant
	<ul style="list-style-type: none"> <li>Review of key informant list and interview question</li> </ul>										ASEC, AADCPII
	<ul style="list-style-type: none"> <li>Conduct KII with identified stakeholders. Preliminary list includes SME development agencies, business registration agencies (including tax and customs authority, business regulators, and other relevant licensing agencies, financial institutions, ASEAN MSME Advisory Board).</li> <li><i>*Some AMS may prefer to submit written answers.</i></li> </ul>	15	3 weeks								Consultant, facilitated by ASEC.
	<ul style="list-style-type: none"> <li>Follow-up, confirm and consolidate responses received from AMS</li> </ul>										

<sup>2</sup> The KII is scheduled to supplement information gap from the consultant's desk review and will involve ACCMSME, Task Force on Starting a Business members, and line ministries / agencies deemed relevant to fill the information gap.

OUTPUTS	ACTIVITIES/TASKS	Person Working days	Duration in calendar weeks	TIMELINE (IN MONTHS)							RESPONSIBLE ENTITY
				M 1	M 2	M 3	M 4	M 5	M 6	M 7	
Benchmarking Guidelines towards Establishing Unique Business Identification Numbers in AMS	<b>Draft the benchmarking guidelines:</b> <ul style="list-style-type: none"> <li>Analyse the results of the assessment</li> <li>Provide suitable recommendations in a logical sequence at the <b>regional level and for each sub-group</b>, including adapting leading practices, if appropriate.</li> </ul>	20	3 weeks								Consultant
	<ul style="list-style-type: none"> <li>Submit draft Guidelines for review by ASEC *depending on the extent of revision required, several rounds of revisions may be required. Should there be no substantive revision required, ASEC may circulate to the stakeholders upon receiving the first draft.</li> </ul>		1 week								ASEC
	<ul style="list-style-type: none"> <li>Revise draft Guidelines</li> </ul>	2									Consultant
	<ul style="list-style-type: none"> <li>Circulate draft Guidelines for review by stakeholders</li> </ul>		2 weeks (one week pre and one week post FGD)								ASEC to circulate to ACCMSME, TF, AMAB, CCI, ACCED
	<b>Conduct Focus Group Discussion (FGD)<sup>3</sup></b> <ul style="list-style-type: none"> <li>Develop draft agenda for the FGD</li> </ul>	4	2 weeks								Consultant
	<ul style="list-style-type: none"> <li>Submit draft agenda to be reviewed by ASEC</li> <li>Finalise agenda</li> </ul>										Consultant, ASEC, AADCPII
	<ul style="list-style-type: none"> <li>Prepare pre-read documents for the FGD, including a summary of the key points from the draft Guidelines</li> </ul>	5	2 weeks								Consultant

<sup>3</sup> The FGD will be organised to confirm the literature review and KII and discuss the “Benchmarking Guidelines towards Establishing Unique Business Identification Numbers in AMS”. ACCMSME, Task Force on Starting a Business members, CCI, ACCED, AMAB, and ASEAN-BAC will be invited to the FGD.

OUTPUTS	ACTIVITIES/TASKS	Person Working days	Duration in calendar weeks	TIMELINE (IN MONTHS)							RESPONSIBLE ENTITY
				M 1	M 2	M 3	M 4	M 5	M 6	M 7	
	• Circulate pre-read documents to participants of FGD		2 weeks								ASEC
	• Present draft Guidelines	0.5									Consultant
	• Prepare FGD report, summarising discussion points and lessons learnt from the FGD	1									Consultant
	<b>Revise and Finalise Draft Guidelines</b>	10	2 weeks								Consultant, facilitated by ASEC
	• Collect inputs received from stakeholders										
	• Revise draft based on inputs received from stakeholders and discussion during FGD										Consultant
	• Submit revised draft Guidelines for review by ASEC <i>*depending on the extent of revision, several rounds of revisions may be required. Should there be no substantive revision required, ASEC may circulate to the stakeholders upon receiving the first draft.</i>		1 week								ASEC
	• Revise draft guidelines	5	1 week								Consultant
	• Circulate draft Guidelines for review by stakeholders		2 weeks								ASEC to circulate to ACCMSME, TF, AMAB, CCI, ACCED
	• Revise draft Guidelines • Submit draft Final Guidelines	4	1 week								Consultant
	• Circulate draft Final Guidelines for approval		2 weeks								ASEC
Project Completion Report	Prepare draft project completion report detailing project results, issues arising, and recommendations for future projects	1	2 weeks								Consultant
	Circulate to ASEC and AADCP II for comments and										ASEC, AADCP II

OUTPUTS	ACTIVITIES/TASKS	Person Working days	Duration in calendar weeks	TIMELINE (IN MONTHS)							RESPONSIBLE ENTITY
				M 1	M 2	M 3	M 4	M 5	M 6	M 7	
	feedback										
	Incorporate comments and feedback, if any, finalise and submit PCR	0.5									Consultant