



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

**TERMS OF REFERENCE
FOR
Study on Mutual Recognition Models for the ASEAN Agricultural Best Practices
(EXTENDED)**

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

I. Background

With the increasing population in ASEAN, the demand for agriculture products is expected to more than double in the next twenty years, offering rural small-scale farmers an opportunity to transcend absolute poverty. With the embarking of ASEAN Economic Community by 2015, which will develop the region into a single market and production base in goods and a competitive economic region with more equitable economic development, the agriculture sector plays a key role in this regional architecture. Through the ASEAN Economic Community (AEC) Blueprint, adopted by the ASEAN Leaders, the ASEAN Cooperation in agriculture will focus its efforts on the promotion on intra-ASEAN and external trade, improving competitiveness, quality assurance and ensuring safety standards of farm produce.

The global demand requires not only for more agriculture products but also good quality products. However the lack of good agriculture practices and standards is considered as a key impediment for ASEAN agriculture development. In responding to these obstacles, the ASEAN Ministers of Agriculture and Forestry (AMAF), in 2006 and 2014, has endorsed the ASEAN Agricultural Best Practices, which consist of Good Agriculture Practices (GAP), Good Animal Husbandry Practices (GAHP) and the Good Aquaculture Practices (GAqP) as tools to improve quality assurance, enhance quality of products, and minimise hazards in food safety, environmental impacts, and worker health, safety and welfare. It is important to note that these standards are *process* standards. The ASEAN GAP for instance, is a standard for the production, harvesting and post-harvest handling of fruits and vegetables. These standards are developed at the regional level and when AMS do not have their national standards, these regional standards are usually adopted as national standards.

There is a set of separate ASEAN standards for certain agricultural *products*, such as mango, pineapple, durian, papaya, pomelo, rambutan, mandarin, lansium, guava, mangosteen and watermelon, which ensures that these commodities are available fresh to the consumers after preparation and packaging.

Aside from serving as safety assurance and quality control measures, standards have lately been used for product differentiation and market penetration. As such, the efficacy and

impact of these standards and guidelines on enhancing ASEAN trade is determined by how the governance systems in agriculture value chains are set, implemented, monitored and enforced.

The ASEAN regional standards that have been developed, up to now, serve a limited purpose. Several AMS currently use the standards as a reference to harmonise national standards across the region and to develop such standards when they are not available. Compliance and certification is currently at the hands of national bodies and there is a variance in the procedures involved which means that further harmonization to the underlying processes including tests of competence for certifying bodies would be necessary. The standards could, and should, be further utilized, not only for standards harmonisation, but also for region-wide mutual recognition of quality ASEAN agricultural products that resulted from the application of those standards. While harmonization may be a long term-goal, ASEAN should also consider equivalence (i.e. recognizing the other country's standards, although not the same, but as equivalent for as long as it achieves the same level of protection or objective).

ASEAN has acknowledged the need to identify an efficient mechanism for implementing the standards (namely GAP, GAqP and GAHP) as well as promoting the ASEAN standards for both national and regional levels. Given their voluntary nature for producers' implementation, there are differences in the application of these standards by the AMS. To maximise their potential and increase usage for transboundary transactions, a mutual recognition system among the AMS is needed. This mechanism will define how the ASEAN standards are applied and operationalized, at the national and the regional level, by various relevant institutions at both levels, through new or existing regional institutions and mechanism such as the ASEAN Sectoral Working Groups and Experts Working Groups (ASWGC/EWG GAP, ASWGL, ASWGF).

Note that small farms usually lack the capability and economies of scale to have effective quality assurance and traceability systems, which may leave them out. Hence, any proposed mechanism should be cost-effective and inclusive.

This project will conduct a study to identify the essential elements for such mechanism to work in the ASEAN region or beyond, identify existing institutions and arrangements (including any accreditation and certification system, mutual recognition agreements and application of equivalence) that can be utilised as part of the mechanism, their feasibility (including costs and benefits) and provide various options for its operationalisation as well as recommendations for an effective and sustainable regional mechanism for the mutual recognition of ASEAN agricultural best practices.

II. Needs and Objectives

This project aims to achieve regional mutual recognition of ASEAN best agricultural practices to facilitate the intra-ASEAN trade transaction.

Through this project, it is expected that the SOM AMAF would provide policy guidance

towards establishing an effective and efficient ASEAN-wide mutual recognition mechanism to strengthen the implementation and acceptability of the ASEAN agricultural best practices that include GAP, GAHP, GAqP and ASEAN standard for agriculture products.

III. Outputs

The project should produce a report that describes a mechanism for implementing the GAP, GAqP and GAHP standards as well as promoting the ASEAN standards for both national and regional levels.

The report will specifically answer the following questions:

- What regional mechanism is most **practical, effective, efficient** and **sustainable** in implementing the mutual recognition principles, considering regional and national regulatory frameworks (including the national GAP programs and existing certification systems for AMS), institutional arrangements and capacity, and stakeholder involvement? How would this regional mechanism look like in practice?
- What **governance arrangement** is required to establish the proposed regional mechanism(s)? What **institutional arrangement** must be established to operationalize this governance arrangement taking into account the current arrangements involved in the various GAPs? What sort of **relationships** need to be formalised in order to implement the proposed regional mechanisms, i.e. to allow flow of data/information, ensure enforcement, etc?
- What **capacity** needs to exist in the relevant implementing institutions, both at national and regional level such as testing for compliance and competency requirements? What are the capacity development requirements, in relation to access to information, certification, accreditation, etc.
- What are the **strategic** options for implementing the proposed regional mechanism(s)? What will a **3-year work plan** look like, based on the best/recommended strategy?
- What are requirements for matching private certification scheme vis-à-vis government certification schemes for GAP, GAHP, and GAqP

To produce this report, the project will involve a study with the following scope of work:

- The study will review and assess existing mutual recognition systems including recognition of equivalence and conformity assessments for process standards and products being traded in the region and global markets to distil lessons such as what works and what does not for trans-border transactions.
- The study will design a proposed regional mechanism to implement mutual recognition on the three standards, namely:
 - GAP standard in Animal Husbandry (GAHP) specifically for Broilers and Layers
 - GAP standard in Aquaculture (ASEAN GAqP) for Food Fish

- GAP standard for Fruits & Vegetables

The study may propose a single regional mechanism that covers all 3 standards, namely GAP, GAHP and GAqP (and if applicable, any other GAP standards that are currently being developed) or three separate or different regional mechanisms for each GAP standard, based on assessment of existing and potential institutional arrangement and capacity in the regional and national level;

- There are two regional mutual recognition systems that are within the scope of this proposal: the mutual recognition of the *farmers/producers* that are applying the standards, and the mutual recognition of *products* that are produced by these farmers/producers. The goal of this project is to achieve regional mutual recognition of process standards and its relationship with *products using ASEAN standards*¹ to facilitate trans-border transaction. Recognising that there are different sets of ASEAN agricultural product standards applicable to agricultural products that are not necessarily part of the GAP, GAHP and GAqP standards, the study should determine:
 - Whether the proposed regional mechanism should recognise farmers/producers and automatically recognise their products (without ensuring compliance to the applicable ASEAN agricultural product standards).
 - Whether the proposed regional mechanism should only recognise the farmers/producers.
 - Whether the proposed regional mechanism can be set up to recognise the farmers/producers, and their products by cross-referencing/ ensuring compliance to the relevant ASEAN agricultural product standards.
 - Whether an MRA that can cover and recognize the whole framework of implementation to include systems evaluation (i.e. national food control system) would be feasible and efficient.
- The study will compare possible regional mechanism options:
 - Mutual Recognition Agreement (MRA) model as described in the ASEAN Framework Agreement on Mutual Recognition Arrangements
 - Various modes taking into account the work of the other sectoral working groups such as those by the ASEAN Working Group on Prepared Food stuff and ASEAN MRA Working Group
 - Other best-practice mutual recognition models can also be considered, if any.

¹ This must be viewed in the context of paragraph 6, bullets a to e, Article 3: General Provisions of the ASEAN Framework Agreement on Mutual Recognition Arrangements, which states: "*Member States shall identify sectors for developing MRAs based on the following criteria:*

- a. *with special focus on but not limited to the list of 20 priority product groups identified for harmonization of standards;*
- b. *the volume of intra-ASEAN trade affected;*
- c. *the existence and extent of technical barriers to trade;*
- d. *the readiness of technical infrastructure in the majority of Member States, which shall include the existence of Conformity Assessment Bodies that satisfy the procedures and criteria stated in Article 6, clause 1; and*
- e. *the interest of the majority of Member States.*

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.

	Deliverables	Activity	Person working days	Completion Date
1	<i>Inception report</i>	Draft and submit an inception report	10 person days	Week 2
<i>Approval of the Inception Report by ASEC (2 weeks)</i>				
2	<i>Draft Report</i>	<ul style="list-style-type: none"> - National consultations and desk study - Development of initial report - Regional Consultation 1 (presentation of initial report and consultations) - Regional consultation 2 (presentation of initial report and consultations with ad-hoc institutions) - Further development of draft report - Regional Consultation 3 (presentation of the draft report) 	100 person days	Week 19
<i>Approval of draft report by ASEC (2 weeks)</i>				
3	<i>Final Report And Completion Report</i>	<ul style="list-style-type: none"> - Further collection of input via email - Finalisation of Report - Development and submission of completion report 	10 person days	Week 23
<i>Approval of the Final Report and Completion Report by ASEC (2 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 This would detail the consultant's approach to the project and provide a detailed work plan.	Month1 after contract signing
2	Workshop Reports In line with the various outputs which would be presented in consultative workshops, corresponding workshop reports would be prepared.	2 weeks after the conduct of the workshops
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.	1 week after delivery of all outputs

All reports will be submitted based on AADCP II Guidelines for Contractors in draft format to the ASEAN Secretariat, Agriculture Industries and Natural Resources Division (AINRD) 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 AINRD 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 Agriculture Industries and Natural Resources Division (AINRD) 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. The preparation of the project outputs will be the main responsibility of a contractor selected via open tender with inputs from AMS.

AADCP II will monitor progress from the perspective of the use of AADCP II resources, and provide advice to the AINRD accordingly.

VII. Scope of Services

The consultancy will be undertaken over a **continuous effective period of 23 calendar weeks** with approximately **120 person days** of professional services. Work will commence immediately after contract signing.

VIII. Qualifications

This consultancy is open to individuals bidders and consulting firms/ entities. In the proposal, bidders should describe the following qualifications:

- a. Graduate degree and in-depth expertise in Agriculture, Animal Husbandry or Veterinary Medicine, Aquaculture, Public Policy and Governance, International Trade, or other relevant discipline;
- b. Thorough understanding of models of mutual recognition mechanisms in ASEAN and other regions, preferably related to agriculture best practices;
- c. Knowledge of relevant structures and processes in establishing agriculture best practices standardisation mechanisms but not limited to agriculture products standardization;
- d. Thorough understanding of the ASEAN context, particularly in the areas relevant to the GAP, GAqP and the GAHP;
- e. Experience undertaking similar assignments, preferable within the ASEAN region;
- f. Capacity to undertake the assignment independently with minimal supervision and administrative/ logistical support;
- g. Experience working with the ASEAN Secretariat and Australian-funded projects is preferable.

IX. Bidding

Interested individuals and 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 workplan 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 bidder'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.

X. Submission of Application

Applicants should send via email **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 (email: tender@aadcp2.org) indicating **“Study on Mutual Recognition Models for the ASEAN Agricultural Best Practices”** as the subject no later than **31 August 2015 5:00pm Jakarta time**. Please note that only short-listed candidates will be notified.

Any queries on the TOR should be sent to contact@aadcp2.org with the subject line:” **Query: Study on Mutual Recognition Models for the ASEAN Agricultural Best Practices.**

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 ASEAN 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.