



ASEAN-AUSTRALIA DEVELOPMENT COOPERATION PROGRAM (AADCP) PHASE II

TERMS OF REFERENCE FOR *Feasibility Study of ASEAN Trust Mark Scheme*

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

I. Background

The e-commerce sector in ASEAN grew in a remarkable trend in the past years, from merely around \$32 billion of Gross Merchandise Value (GMV) in 2015 to more than \$100 billion in 2020. The digital revenue is expected to reach 300 billion USD by 2025. As the result, the size of digital economy in ASEAN would likely to reach 8.5% of GDP in 2025, up from 1.3% in 2015. It is estimated that the ASEAN digital integration would lift up to 1 trillion USD to the ASEAN Economy by 2025.

The COVID-19 pandemic catalyses the on-going digital transformation in many sectors at an unprecedented pace and impact in almost all aspects of life. The digital economy has been instrumental in empowering businesses to rapidly reshape their business models, find alternative or establish new supply chains, as well as to create new values for customers. It is estimated that 8 out of 10 people in ASEAN view technology as helpful during the pandemic and has become an indispensable part of people's daily lives. There are 40 million new internet users in 2020 alone. According to the recent study by Google, the impact of the pandemic has increased ASEAN's digital consumption with around 36% in the number of digital consumers.

ASEAN recognizes the potential of e-commerce, as well as its importance in serving as a catalyst for economic recovery in light of the pandemic. To reflect its importance, several initiatives in the area of e-commerce were included in the ASEAN Comprehensive Recovery Framework (ACRF), which was adopted by ASEAN Leaders during the 37th Summit in 12-15 November 2020. Among the initiatives in e-commerce, an ASEAN trust mark for e-commerce platforms was included, given its strategic value to provide more protection to the online commerce consumers, by providing assurance that the goods sold online are genuine, and avoid wrongful label/service description.

The ASEAN Trust Mark Scheme for E-Commerce is the concrete step to implement the ACRF and meant to minimize information asymmetry between buyers and sellers so as to promote a trusted e-commerce environment by eliminating bad or unfair trade practices. Although the ASEAN trust mark scheme should be made on a voluntary basis, the scheme is essential to supporting the ASEAN governments to align their respective legislation on e-commerce with best practices to address the issues relating to legal compliance, data handling, consumer protection, and anti-counterfeiting. It directly provides immense incentives to the on-line sellers to align their practices to comply with the guidelines as a crucial part of the scheme. More importantly, the scheme will help consumers to easily choose or distinguish good online sellers on the platforms and reduce cost of transactions. By awarding ASEAN trust mark to e-commerce companies that complies with, consumer confidence towards the companies will be strengthened, leading to the willingness of consumers in making transactions in awarded companies.

Noting that currently e-commerce trust mark is not widely utilized or adopted in ASEAN, this will be a significant initiative to promote the vision of ASEAN cross-border e-commerce. There is a need for a comprehensive study to precisely depicts ASEAN e-commerce trust mark state of play, and followed by recommendations of trust mark mechanism that is suitable for ASEAN, taking into accounts lesson learned by other regions, such as Europe who started a cross-border e-commerce trust mark in 2015 with the participation of 15 countries.

The study will focus on expected government measures needed to develop a workable regional trust mark. The study will start with an overview of current national trust mark schemes in the ASEAN Member States (AMS), a review of relevant regional initiatives, followed by comparative research of functional regional trust mark and practical policy recommendations for the implementation of an ASEAN e-commerce trust mark.

The ASEAN Coordinating Committee on Electronic Commerce (ACCEC), which manages ASEAN's initiatives in e-commerce and digital trade policy will oversee the delivery of this project. Considering the cross-cutting nature of e-commerce and the ASEAN trust mark' contribution to online consumer protection, the project will involve the ASEAN Committee for Consumer Protection (ACCP), and the ASEAN Digital Trade Standards and Conformance Working Group (DTSCWG) in its activities to seek their inputs and gain their support.

II. Needs and Objectives

The ultimate goal of the project is to promote a trusted e-commerce environment across ASEAN by eliminating bad or unfair trade practices while strengthening protection for online commerce consumers. The project is expected to enable ASEAN particularly ACCEC in advancing the establishment of regional trust mark scheme by providing tailored practical recommendations on a comprehensive trust mark mechanism.

III. Outputs

The output of this project is the Report on the Feasibility of ASEAN Trust Mark Scheme.

This output will be achieved, at least, through the deliverables outlined below.

Deliverable 1: Interim Report, which will:

- Discuss the advantages, disadvantages, benefits and costs of an ASEAN Trust Mark Scheme for e-Commerce;
- Provide overview of current national trust mark mechanisms in the AMS, including relevant domestic laws, rules and regulations;
- Identify relevant regional developments and initiatives in ASEAN and analyse their influence on the ASEAN Trust Mark Scheme;
- Comparative landscape study of functional regional and international trust marks, based on existing schemes and mechanisms, international best practices or ISO Standards/Guidelines on privacy and data protection, risk management approaches, relevant business modes and roles in consumer-in-business relations, whenever appropriate. The study can analyse their successes and learning points (e.g. take-up rates), for ASEAN's consideration;
- Assess AMS' capabilities and required resources to implement a regional Trust Mark Scheme, including facilitating participation by MSMEs;
- Policy options for introducing regional Trust Mark scheme, to be considered by the AMS.

Deliverable 2: Final Report, drafted based on the findings in the Interim Report, which will provide

the recommendations on a comprehensive mechanism on ASEAN trust mark scheme for ASEAN's consideration, covering at least:

- Requirements of the regional Trust Mark Scheme, which should at least describe:
 - Scope and content of the Trust Mark Scheme
 - Operation of trust mark scheme (including certification, accreditation etc.)
 - Enforcement of the Trust Mark Scheme
 - Monitoring
 - Business model for financing and maintaining the Trust Mark Scheme
- Required domestic legal/ regulatory reform
- Needs for strengthening AMS capacity/ capability for implementing the Trust Mark Scheme
- Cooperation with national trust marks in the region

The project will seek the opportunity to mainstream gender, social inclusion and environmental sustainability in all project deliverables and output, wherever possible.

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	ACTIVITIES/TASKS	PERSON WORKING WEEKS	COMPLETION DATE	RESPONSIBLE ENTITY
Study Reports, which includes AMS' capabilities and required resources to implement Trust Mark	Conduct project kick-off meeting to align on project expectations, including implementation timeline and communications	13	Week 6	Consultant, ASEAN Secretariat (ASEC)
	Conduct initial literature review and research activities on regional trust mark			Consultant
	Develop overall approach and detailed conceptual framework, taking into accounts private sector's perspective			Consultants
	Circulate the draft study report to ACCEC and ACCP for inputs			Consultant
	Finalize study report			Consultant, ACCEC
Recommendations for regional Trust Mark	Comparison of regional trust mark/best practice	9	Week 12	Consultant
	Recommendations for ASEAN trust mark, with consumer-friendly scheme and transparent criteria			Consultants
Project Completion Report	Prepare draft project completion report comprising reports of overall project activities, feedbacks, and recommendations for future activities	1	Week 20	Consultant
	Circulate to ACCEC and ASEC for comments and feedback			Consultant, ACCEC, ASEC
	Incorporate comments and feedback			Consultants
	Finalise and submit project completion report			Consultant, ASEC

*** 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

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.

All reports will be submitted based on ASEAN-Australia Development Cooperation Program Phase II (AADCP II) Guidelines for Contractors in draft format to ICT & Tourism Division of ASEC (with a copy to AADCP II) and, following ASEC's 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 ICT & Tourism 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 AADCP II and managed by ICT & Tourism Division of ASEC. The consultant will be responsible for organising and conducting the scheduled activities in collaboration with the host countries and ASEC.

VII. Scope of Services

The consultancy will be undertaken over a **continuous effective period of five (5) calendar months** with approximately **115 working days or 23 working weeks** of professional services. Work will commence immediately after contract signing.

• Qualifications

In its proposal the bidder should demonstrate:

- In-depth knowledge and expertise on issues related to e-commerce, regional trust mark schemes particularly for e-commerce, consumer protection, and digital economy both in ASEAN and beyond;
- Knowledge and experience in the implementation of trust mark scheme in AMS;
- Knowledge of MSME empowerment through digitalisation and internationalisation is an advantage;
- Experience in developing regulatory framework analysis, as well as high level policy documents and recommendations;
- Thorough understanding of emerging trends and recent developments in ASEAN that are relevant to e-commerce, specifically trust mark schemes;
- Proven track record in undertaking data collection (including facilitation with high-level government officials) and data analysis on regional (multi-country) survey/research of similar scope and scale;
- Sound knowledge of ASEAN, its structure, and processes;

- Proven track record in report writing in English;
- Understanding of gender and social inclusion mainstreaming into economic and socio-cultural development strategies and programmes;
- Experience working with the ASEC and AADCP II on projects with similar scope and characteristics will be considered added value;

VIII. Bidding

Interested consulting firms are invited to submit a proposal in response to these Terms of Reference. This proposal should be in two separate 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 measures to ensure that project outcomes/ objectives is achieved in an effective and sustainable manner;
- 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:

- 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.

IX. Submission of Application

Applicants should send their application with a cover letter, materials specified in Section IX above and other supporting documents with "**Feasibility Study of ASEAN Trust Mark Scheme**" as the subject via email to tender@aadcp2.org, no later than **4 July 2021 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 Feasibility Study of ASEAN Trust Mark Scheme**”

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 the Secretariat 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.