

# **Technical Assistance Report**

Project Number: 49068-001 Research and Development Technical Assistance (RDTA) December 2015

# The Future of Regional Cooperation and Integration in Asia and the Pacific

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Asian Development Bank

#### ABBREVIATIONS

ADB	_	Asian Development Bank
ASEAN	-	Association of Southeast Asian Nations
DMC	-	developing member country
FDI	-	foreign direct investment
PRC	-	People's Republic of China
RCI	-	regional cooperation and integration
RCI-TG	-	Regional Cooperation and Integration Thematic Group
ТА	-	technical assistance

#### NOTE

In this report, "\$" refers to US dollars.

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# CONTENTS

		Page
RESI	EARCH AND DEVELOPMENT TECHNICAL ASSISTANCE AT A GL	ANCE
I.	INTRODUCTION	1
II.	ISSUES	1
III.	THE RESEARCH AND DEVELOPMENT TECHNICAL ASSISTAN	CE 3
	A. Impact and Outcome	3
	B. Methodology and Key Activities	3
	C. Cost and Financing	4
	D. Implementation Arrangements	4
IV.	THE PRESIDENT'S DECISION	5
APPI	ENDIXES	
1.	Design and Monitoring Framework	6
2.	Cost Estimates and Financing Plan	8
3.	Outline Terms of Reference for Consultants	9
4.	Outline of the Final Report	13

#### RESEARCH AND DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1.	Basic Data				<b>Project Number</b>	: 49068-001
	Project Name	The Future of Regional Cooperation	Department	ERCD/EROD		
	Country	and Integration in Asia and the Pacific REG	/Division Executing Agency	Asian Developr	ment Bank	
2.	Sector	Subsector(s)			ADB Financing (	\$ million)
1	Multisector	ADB's corporate management, policy and	nd strategy dev	velopment		0.85
				Tota	1	0.85
	Strategic Agenda Inclusive economic growth (IEG) Environmentally sustainable growth (ESG) Regional integration (RCI)	Subcomponents Pillar 2: Access to economic opportunities, including jobs, made more inclusive Disaster risk management Global and regional transboundary environmental concerns Pillar 1: Cross-border infrastructure Pillar 2: Trade and investment Pillar 4: Other regional public goods	Climate Cha Project	nge Information nge impact on the		Low
4.	Drivers of Change	Components		ity and Mainstream	ning	
	Governance and capacity development (GCD) Knowledge solutions (KNS) Partnerships (PAR) Private sector development (PSD)	Client relations, network, and partnership development to partnership driver of change Knowledge sharing activities Implementation International finance institutions (IFI) Private Sector Regional organizations Promotion of private sector investment	Some gende	er elements (SGE)		1
5.	Poverty Targeting		Location Im	pact		
	Project directly targets poverty	No	Rural Urban			High Medium
6.	TA Category:	В				
7.	Safeguard Categorizat	tion Not Applicable				
8.	Financing					
	Modality and Sources	3		Amount (\$	million)	
	ADB			•	0.85	
		opment technical assistance: Technical A	ssistance		0.85	
	Special Fund					
	Cofinancing				<b>0.00</b> 0.00	
	None Counterpart				0.00	
	None				0.00	
	Total				0.85	
9.	Effective Development	t Cooperation				
	Use of country procuren	nent systems No				
	Use of country public fir	nancial management systems No				

### I. INTRODUCTION

1. Strategy 2020 of the Asian Development Bank (ADB) recognizes the need for Asia and the Pacific to pursue "open regionalism," keeping trade and investment links open with the rest of the world.<sup>1</sup> ADB's Strategy 2020 also aims to increase regional cooperation and integration (RCI) in all operational areas, and increase assistance for RCI to at least 30% of total activities by 2020. In view of the developments in the regional economic landscape,<sup>2</sup> the ADB Midterm Review of Strategy 2020 highlighted the need for a "second generation RCI" agenda and reiterated the 30% target.<sup>3</sup> In order to translate the midterm review agenda for RCI into future RCI operations, ADB decided to develop an RCI Operational Plan.<sup>4</sup>

2. This technical assistance (TA) will support the implementation of the midterm review's recommendations under a proposed RCI Operational Plan by producing operationally-relevant knowledge work to guide ADB's future operations in RCI. The TA will build on the success of past ADB flagship publications on RCI and various subregional ADB programs.<sup>5</sup> The design and monitoring framework is in Appendix 1.<sup>6</sup>

#### II. ISSUES

3. Regionalism in Asia and the Pacific is market-driven, dynamic, open, multitrack, and multispeed, owing to different development patterns, economic circumstances, and geopolitical realities across the region. This model of regionalism has served the region well, with RCI playing an increasingly important role in the region's economic development.

4. ADB has sought to take the process of regionalism forward through a bottom-up approach built on support to subregional cooperation efforts (e.g., the Association of Southeast Asian Nations [ASEAN], ASEAN+3<sup>7</sup>; the Central Asia Regional Economic Cooperation; the Greater Mekong Subregion; and the South Asia Subregional Economic Cooperation), with a focus on cross-border infrastructure and related software (Pillar 1), trade and investment (Pillar 2), monetary and financial cooperation (Pillar 3), and regional public goods (Pillar 4). These subregional cooperation efforts have progressed at different speeds and serve as building blocks for an eventual broader and more unified regional architecture.

5. Recent analyses by ADB have revealed that significant progress has been made in harnessing RCI for development.<sup>8</sup> Stronger intra-regional linkages in trade, investment, financial assets, and labor flows have helped Asia and the Pacific weather heightened volatility and weaker global demand in the wake of the 2008/2009 global financial crisis. In particular, intra-regional trade remained robust at 55% of total trade in 2014, while intra-regional foreign direct investment (FDI) comprised 51% of total FDI in 2012, despite the general slowdown in global trade and FDI.

<sup>&</sup>lt;sup>1</sup> ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020. Manila. <sup>2</sup> See paragraphy 5 and 6

<sup>&</sup>lt;sup>2</sup> See paragraphs 5 and 6.

<sup>&</sup>lt;sup>3</sup> ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific.* Manila.

<sup>&</sup>lt;sup>4</sup> ADB. Forthcoming. *Regional Cooperation and Integration Operational Plan.* Manila.

<sup>&</sup>lt;sup>5</sup> ADB. 2008. *Emerging Asian Regionalism*. Manila; ADB. 2010. *Institutions for Regional Integration*. Manila. ADB subregional programs such as Central Asia Regional Economic Cooperation, Greater Mekong Subregion, and South Asia Subregional Economic Cooperation.

<sup>&</sup>lt;sup>6</sup> The TA first appeared in the business opportunities section of ADB's website on 1 June 2015.

<sup>&</sup>lt;sup>7</sup> ASEAN plus the People's Republic of China, Japan, and the Republic of Korea.

<sup>&</sup>lt;sup>8</sup> ADB. Asian Economic Integration Monitor. Manila (3 years: 2012–2014).

6. There are three opportunities for RCI to address broader development issues in the region.

- (i) Asia and the Pacific is home to approximately two-thirds of the world's poor, and the region's future will be challenged by slowing productivity growth, weak competitiveness, and growing inequalities and vulnerabilities. These are structural reform issues that require RCI policies that complement domestic policy reform.
- (ii) While East and Southeast Asia have benefited from trade and FDI-driven growth from the spread of production networks, other subregions are much less integrated. Countries in the Pacific, in particular, face daunting challenges in accessing external markets due to their market size and distance from major markets—physical obstacles that are often exacerbated by supply-side constraints such as poor infrastructure and weak productive capacities. The opportunities for faster growth of trade and investment between subregions also need to be garnered for other parts of the region beyond East and Southeast Asia.
- (iii) There is a need to address issues that naturally transcend borders and subregions, such as climate change, disaster risk management and associated institutional coordination, as well as challenges that have resulted from increased integration, such as human trafficking and the spread of communicable diseases. Addressing these issues will not only require greater investments in regional public goods, but also more emphasis on mainstreaming social and environmental interventions in the design of RCI initiatives in cross-border infrastructure, trade, and investment.

7. The development issues outlined above call for a better execution of ADB's RCI Strategy. ADB's RCI operations have thus far focused on improving connectivity under Pillar 1, but the evolving development landscape clearly suggests the importance of seeking greater complementarities across the four pillars of the RCI Strategy. In this light, the midterm review highlighted the need for a "second generation RCI" agenda that will build on the connectivity between economies and markets, to seek to promote competiveness in connected markets, and address shared resilience and vulnerability issues.<sup>9</sup> In addition, the changes in the development partner landscape in RCI, with new region-wide RCI initiatives (e.g., the Regional Comprehensive Economic Partnership, Trans Pacific Partnership, Eurasian Economic Union, One Belt One Road Initiative of the People's Republic of China [PRC], Japan's High Quality Infrastructure Initiative, the Republic of Korea's Eurasia Initiative, and India's Act East Policy, among others) require a stronger understanding of those initiatives and how to forge effective collaboration around institutional arrangements.

8. The outputs of this TA will support the implementation of the midterm review's recommendations by producing operationally relevant knowledge work that will help guide ADB's future operations in RCI.

<sup>&</sup>lt;sup>9</sup> Figure 2 in the Management approved RCI Operational Plan concept paper (approved August 2015) shows the distinction between first and second generation RCI.

### III. THE RESEARCH AND DEVELOPMENT TECHNICAL ASSISTANCE

### A. Impact and Outcome

9. The impact will be the implementation of RCI initiatives that will help address the emerging development challenges faced by ADB's DMCs.<sup>10</sup> The outcome will be the identification of new and/or enhanced RCI initiatives that can be incorporated in ADB's future operations in RCI.

### B. Methodology and Key Activities

10. The TA's three key outputs are as follows:

11. **Output 1 : Preparation of knowledge products on regional cooperation and integration.** These will examine broad RCI issues reflecting the four pillars of ADB's RCI Strategy and help operationalize the "second-generation RCI" agenda called for under the Strategy 2020 midterm review. To be developed in close collaboration with ADB regional departments, the TA will produce two major RCI knowledge products:

- (i) A background paper on regionalism in Asia and the Pacific: emerging trends, opportunities, and challenges. This study will analyze how RCI can address emerging development challenges in the region, including slowing productivity growth, weak competitiveness, and growing inequalities and vulnerabilities; determine the prospects for expanding RCI beyond subregions; and explore the implications of emerging drivers of inter-subregional and interregional integration, such as the Regional Comprehensive Economic Partnership, Trans Pacific Partnership, Eurasian Economic Union, PRC's One Belt One Road Initiative, Japan's High Quality Infrastructure Initiative, the Republic of Korea's Eurasia Initiative, and India's Act East Policy, among others.
- (ii) A thematic paper on economic clusters and economic corridor development. Using three country case studies, this paper will (i) examine approaches and concepts for economic cluster and corridor development; (ii) explore the economic and development impacts of economic clusters and corridors and their role in facilitating regional supply chains and production networks; (iii) identify the factors that contribute to the success and/or failure of economic clusters and corridors; and (iv) identify policy reforms, and spatial planning of multisector interventions and urbanization needed to support the development of economic clusters and corridors. Given the interest and engagement of several regional departments in economic corridor development, this is designed to provide an overall analytical framework for economic corridors across subregions, which can be appropriately tailored, and identify potential complementarities between subregional corridors.

12. Each background and thematic paper will undertake a literature review to utilize and maximize ADB's existing knowledge base and identify the research gaps to be filled by the TA. The literature review will also (i) reflect the findings of the Independent Evaluation Department's assessment of ADB's RCI Strategy implementation; and (ii) consider the results of the RCI Roundtable Conference held in 2014, which dealt with the narrower topic of RCI's role in addressing productivity challenges in Asia.

<sup>&</sup>lt;sup>10</sup> See paragraph 6, items (i) to (iii) for the list of emerging challenges.

13. The TA will undertake consultations with government officials from selected DMCs, subregional forums, ADB staff, and international and local experts to validate the research products' scope, findings, and recommendations. For the thematic paper on economic clusters and corridors, the TA will also conduct consultations in selected DMCs with major economic cross-border areas.

14. **Output 2 : Publication and launch of consolidated research report at the second Regional Cooperation and Integration Roundtable Conference**. The key findings and recommendations of the two knowledge products will be consolidated into one research report that will be launched at the second RCI Roundtable Conference in November 2016.

15. **Output 3 : Synthesis paper summarizing the implications for ADB's operations in Regional Cooperation and Integration**. In order to help define ADB's future work on RCI, a synthesis paper will be prepared to (i) explore the programmatic implications of the research findings and policy recommendations; (ii) identify new and/or enhanced RCI initiatives and interventions that can be incorporated in ADB's RCI operations; and (iii) determine any necessary improvements in ADB's institutional arrangements for RCI operations. This synthesis paper will be reviewed at the second Roundtable RCI Conference in November 2016 and presented at subsequent appropriate subregional and/or regional meetings and events.

# C. Cost and Financing

16. The TA is estimated to cost \$850,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The detailed cost estimates and financing plan are in Appendix 2.

# **D.** Implementation Arrangements

17. The TA will be implemented over 12 months from December 2015 to December 2016. ADB will be the executing agency. The Regional Cooperation and Integration Thematic Group (RCI-TG) Secretariat of the Economic Research and Regional Cooperation Department will serve as the overall coordinator and will be responsible for administering the TA, providing overall research guidance, and engaging in collaborative research with consultants. While the RCI-TG Secretariat will implement the TA, ADB's regional departments, Private Sector Operations Department, and Sustainable Development and Climate Change Department will provide substantial guidance and inputs in the production of knowledge work that is critically important to their respective subregions and operations. The RCI-TG Secretariat will gather inputs and comments from these departments through the RCI-TG and the different thematic and sector groups within ADB.<sup>11</sup> In particular, these departments will be invited to (i) attend the first internal consultation workshop to present the results of the literature review and discuss the content of the publication to be produced under this TA; (ii) provide comments on the scope, methodology, and preliminary drafts of the background and thematic papers; and (iii) provide inputs to the synthesis paper exploring the implications of the research findings on ADB's RCI operations. The RCI-TG Secretariat will explore subregional programs' forums and/or meetings that can serve as venues for subregional consultations.

18. ADB will also coordinate with other global and regional institutions (e.g., the United Nations Economic and Social Commission for Asia and the Pacific, the World Bank, World

<sup>&</sup>lt;sup>11</sup> For more details, see <u>http://www.adb.org/about/knowledge-management/sector-thematic-groups-adb</u>.

Customs Organization, World Trade Organization, and the Deutsche Gesellschaft für Internationale Zusammenarbeit) to explore partnerships in producing the knowledge work and conduct of other activities under this TA.

19. The TA will require approximately 29 person-months of international consulting services (22 person-months for preparing the background and thematic papers, 6 person-months for preparing the synthesis paper, and one person-month for editorial services), 30 person-months of national consulting services, and 4.1 person-months of resource persons. All consultants will be selected and engaged individually by ADB in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). For this TA, hiring a team of individual consultants will provide more benefits for ADB than engaging a firm because of the following reasons: (i) faster mobilization of consultants, (ii) greater control by ADB staff in selecting and managing individual consultants, and (iii) greater flexibility in engaging experts specializing in a broad spectrum of RCI-related topics.<sup>12</sup>

20. Eleven international consultants will be engaged to prepare the background, thematic, and synthesis papers. The consultants are expected to provide the in-depth knowledge and expertise necessary to supplement ADB's nascent knowledge base and skills on second-generation RCI. An economics editor will also be engaged to help review and edit the knowledge products that will be produced under this TA. Six resource persons will be invited either to present or write background papers for regional workshops, or to serve as peer reviewers for the knowledge products that will be produced under this TA.

21. The TA will require five national consultants: one to assist in supervising and coordinating the TA activities and outputs, and four to provide research support. A typesetter will be sourced from ADB's Department of External Relations list of accredited service providers who will be responsible for graphics and design, typesetting, and page layout. Appendix 3 provides the outline terms of reference for consultants.

22. Purchases of equipment (computer hardware and software) and statistical databases will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) and in coordination with ADB's Office of Information Systems and Technology and Office of Administrative Services, where applicable. After the TA is completed, any procured equipment will be disposed in compliance with ADB guidelines on administering grant-financed TA projects. Disbursements under this TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). The project officer and other ADB experts will serve as contributors to the research and development of the knowledge products or as resource persons during the workshops to be conducted under this TA.

# IV. THE PRESIDENT'S DECISION

23. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$850,000 on a grant basis for The Future of Regional Cooperation and Integration in Asia and the Pacific, and hereby reports this action to the Board.

<sup>&</sup>lt;sup>12</sup> To reduce administrative burden and improve economy, efficiency, and value for money under the TA, most of the international consultants will be given output-based contracts.

# DESIGN AND MONITORING FRAMEWORK

# Impact the Technical Assistance is Aligned with

RCI initiatives that address the emerging challenges faced by ADB's DMCs are implemented (ADB Strategy 2020)<sup>a</sup>

Project Results	Performance Indicators	Data Sources and	
Chain	with Targets and Baselines		Risks
Outcome New and/or enhanced RCI initiatives are identified	By 2016, at least one new and/or enhanced RCI initiative per thematic area is identified	Consolidated report and publication	Key country and development partner officials are not available to attend and participate in consultations and meetings
Outputs 1. Knowledge products on RCI produced	1a. One background paper on Asian integration is developed and produced	1a. Research studies	Unavailability of experts to handle more complex topics
	1b. One thematic paper on economic clusters and economic corridor development are developed and produced	1b. Consultants' progress report 1c. Minutes of the meetings	No common time available among stakeholders to conduct consultation meetings to identify and prioritize
	<ul> <li>1c. At least two internal consultations are conducted</li> <li>1d. At least two country or subregional consultations are conducted to validate the research products' scope, findings, and recommendations</li> <li>1e. For the thematic papers on economic corridors, at least three incountry consultations are conducted in selected DMCs with major cross-bacted economic correst</li> </ul>	<ul> <li>1d. Minutes of the meetings</li> <li>1e. Minutes of the meetings</li> <li>1f. Statistics on total page views and PDF downloads, and Google Scholar search</li> </ul>	RCI initiatives Difficulties in gathering primary data cause delays in the research schedule and production of knowledge products
2. Research results disseminated	border economic areas 1f. Number of references to publication in research, press, and policy reports 2a. One final publication produced and launched in	2a. Research studies, consultants' progress	
	2b. At least two subregional or regional dissemination events	consultants progress report, seminars, and conferences 2b. Minutes of the meetings, and events or meetings under ADB's	

Project Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	conducted	subregional programs	
3. Synthesis paper on programmatic and operational implications produced	<ul> <li>3a. One synthesis paper on operational implications of research findings developed and produced in second half of 2016</li> <li>3b. At least two internal consultation meetings conducted</li> </ul>	Final synthesis paper, consultants' progress report	Unavailability of expert to undertake task No common time available among stakeholders to conduct consultation meetings to identify and prioritize RCI initiatives
Key Activities with Mi	lestones		·
<ol> <li>First internal con- general direction</li> <li>Submission of the</li> <li>Submission of first</li> <li>Submission of set</li> <li>Submission of set</li> <li>Submission of set</li> <li>Subregional or con- and corridors (Ju</li> <li>Submission of first</li> <li>Submission of first</li> <li>Consolidation of</li> <li>Editing and types</li> </ol>	nal draft of knowledge products isseminated background and thematic paper setting (September 2016)	) y of background and thema (May 2016) ent the first draft (May 2016) ucts (June 2016) e findings of thematic paper s (August 2016) ers into one publication (Au	tic papers (March 2016) ) • on economic clusters
<ul><li>2.3. Publication and p</li><li>2.4. Research report</li></ul>	printing process (October 2016 launched at the second RCI R egional dissemination (Novemb	oundtable Conference (No	vember 2016)
<ul><li>3.1. Internal consultat</li><li>3.2. Preparation of sy</li><li>3.3. Submission of fin</li><li>3.4. Internal consultat</li><li>Roundtable Conf</li></ul>	n programmatic and operation tions to present proposed covery inthesis paper (September–Oc st draft for comments (October tions to solicit comments on dr ference) nal draft of synthesis paper (De	erage of synthesis paper (S ctober 2016) r 2016) raft (November 2016, to coi	eptember–October 2016)
Inputs			
ADB: \$850,000			
Accumptions for Dart	<b>P</b> 1		
Assumptions for Part	ner Financing		

 <sup>a</sup> ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020. Manila.

Source: Asian Development Bank.

# COST ESTIMATES AND FINANCING PLAN

(\$'000)

ltem		Amount
Asian	Development Bank <sup>a</sup>	
1.	Consultants	
	a. Remuneration and per diem	
	i. International consultants	367.0
	ii. National consultants	94.0
	b. International and local travel	222.0
2.	Equipment <sup>b</sup>	5.0
3.	Training, seminars, and conferences <sup>c</sup>	
	a. Facilitators and/or resource persons	45.0
	b. Training program	44.0
4.	Surveys	25.0
5.	Miscellaneous administration and support costs	4.0
6.	Contingencies	44.0
	Total	850.0

<sup>c</sup> Includes Asian Development Bank staff as resource persons. Source: Asian Development Bank estimates.

### OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. To implement the technical assistance (TA) project, the Asian Development Bank (ADB), through the Regional Cooperation and Integration Thematic Group (RCI-TG) Secretariat of the Economic Research and Regional Cooperation Department, will engage 11 individual international consultants to prepare the background, thematic, and synthesis papers, with 28 person-months total; one economics editor for one person-month; five individual national consultants to provide both administrative and research support for 30 person-months total; and six resource persons for 4.1 person-months total. The RCI-TG Secretariat, which will serve as the overall coordinator, will be responsible for providing overall research guidance and consolidating the research outputs of the individual international consultants. Wherever possible, the RCI-TG Secretariat will also engage in collaborative research with the consultants.

# A. Individual International Consultants

2. Lead economist (team leader) (3 person-months). One international economist will be engaged to produce a background paper on regionalism in Asia and the Pacific that will analyze how RCI can address emerging development challenges in the region, including slowing productivity growth, weak competitiveness, and growing inequalities and vulnerabilities; determine the prospects for expanding RCI beyond subregions; and explore the implications of emerging drivers of inter-subregional and inter-regional integration, such as the Regional Comprehensive Economic Partnership, Trans Pacific Partnership, Eurasian Economic Union, One Belt One Road Initiative of the People's Republic of China, Japan's High Quality Infrastructure Initiative, the Republic of Korea's Eurasia Initiative, and India's Act East Policy, among others. The consultant will also assist the RCI-TG Secretariat in consolidating the research findings and recommendations. The consultant, preferably with 15 years of relevant experience, should have extensive experience in doing economic research involving Asian economies and the region.

- 3. In collaboration with the RCI-TG Secretariat, the lead economist will
  - (i) conduct a review of the existing and current literature, including ADB publications on regionalism in Asia and the Pacific;
  - (ii) submit the review of literature and analysis on research gaps for the RCI-TG's review;
  - (iii) synthesize submissions from the other contributors, prepare a background paper, and present it during internal and external consultation meetings and country and/or subregional consultations;
  - (iv) submit the paper for peer review, and revise as needed;
  - (v) attend and present during consultation meetings with ADB regional department and/or project team and country and/or subregional consultations; and
  - (vi) assist in writing the overview and concluding sections of the report to be published under this TA.

4. **Economists** (five international consultants, 10 person-months total). Five international economists will be engaged to contribute think pieces and assist the lead economist in producing the background paper. The consultants, preferably with 15 years of relevant experience, should have extensive experience in doing economic research involving Asian economies and the region.

5. In collaboration with the RCI-TG Secretariat, the economists will

- (i) conduct a review of the existing and current literature, including ADB publications on regionalism in Asia and the Pacific;
- (ii) submit the review of literature and analysis on research gaps for the RCI-TG's review;
- (iii) prepare think pieces and assist the lead economist in producing the background paper; and
- (iv) submit the think pieces for peer review, and revise as needed.

6. **Trade experts** (three international consultants, 9 person-months total). Three international trade experts will be engaged to prepare the thematic paper on economic clusters and economic corridor development. More specifically, the trade experts will produce two country case studies that will (i) examine approaches and concepts for economic cluster and corridor development; (ii) explore the economic and development impacts of economic clusters and corridors and their role in facilitating regional supply chains and production networks; (iii) identify the factors that contribute to the success and/or failure of economic clusters and corridors; and (iv) identify policy reforms needed to support the development of economic clusters and corridors.

7. The consultants, preferably with 15 years of relevant experience, should have extensive research experience in economic and international trade-related analysis, including on economic clusters, economic corridors, and production networks, and they should have knowledge of local conditions in the country under the study.

- 8. In collaboration with the RCI-TG Secretariat, the trade experts will
  - (i) conduct a review of the existing and current literature on the development of economic clusters and corridors in the country under study;
  - (ii) submit the review of literature and analysis on research gaps for the RCI-TG's review;
  - (iii) conduct field surveys and interviews, if necessary;
  - (iv) prepare the country case studies and present them during internal and external consultation meetings, and country and/or subregional consultations;
  - (v) submit the studies for peer review, and revise as needed; and
  - (vi) attend and present during consultation meetings with ADB regional department and/or project team and country and/or subregional consultations.

9. **Economists or institutions specialists** (two international consultants, 6 personmonths total). Two economists or institutions specialists will be engaged to produce a synthesis paper that will consolidate the findings and recommendations of the background and thematic papers, and examine their implications on ADB's RCI operations. The consultants, preferably with 10 years of relevant experience, should have extensive research experience on RCI and should be familiar with ADB's RCI operations.

10. In collaboration with the RCI-TG Secretariat, the consultants will prepare a synthesis paper that will

- (i) explore the programmatic implications of the research findings and policy recommendations;
- (ii) identify new and/or enhanced RCI initiatives and interventions that can be incorporated in ADB's RCI operations; and
- (iii) determine any necessary improvements in ADB's institutional arrangements for RCI operations.

11. The consultants will assist the RCI-TG Secretariat in presenting and soliciting comments on the synthesis paper during internal consultation meetings.

12. **Economics editor** (1 person-month). The editor will review and edit the contents of the publication produced under this TA to ensure coherence, readability, and the highest publication standards. Specific tasks include the following:

- rewrite, add, or delete information, and help revise various pages or sections, if necessary, to tighten arguments, fill in gaps in the discussions, and ensure the smooth flow of ideas;
- (ii) examine the tables, figures, and charts to ensure data consistency within pages and documents; and suggest deletions and additions to ensure that they are useful;
- (iii) edit the pages for publication; and
- (iv) ensure that documents adhere to ADB style and usage and conform to high publication standards.

### B. Individual National Consultants

13. **Research assistants** (three national consultants, 6 person-months total). Three national consultants will be engaged to provide research support for the thematic paper on economic clusters and economic corridor development. The consultants will be economists, financial specialists or statisticians with extensive experience in economic and financial data processing and analysis for a minimum of 7 years, strong communication skills (including English), ability to coordinate with government offices that deal with national statistics, advanced skills in gathering data, and proficiency in using software with standard applications. The consultants will be engaged locally and be based in the country where the study is being conducted. Under the supervision of the RCI-TG Secretariat, the consultants will

- (i) assist in gathering and analyzing data for the thematic paper on economic clusters and economic corridor development;
- (ii) assist in arranging the country consultations to define the scope of the paper and validate the paper's findings;
- (iii) assist in the conduct of country surveys and process their results;
- (iv) organize and assist in the conduct of in-country workshops and meetings; and
- (v) perform other tasks as required.

14. **Program coordinator** (12 person-months). The consultant will have solid experience and a good reputation in coordinating research production and development. He or she will have a good knowledge of economics and will have strong analytical and communication skills. Under the supervision of the RCI-TG Secretariat, the consultant will be stationed at ADB headquarters in Manila and will

- (i) assist the project team by arranging meetings and preparing the materials and documents required;
- (ii) liaise with host governments, consultants, and ADB staff in organizing the regional workshops, and assist the team in organizing country consultation meetings;
- (iii) organize video conferences (including all logistical and administrative support such as budget summaries), prepare minutes of the meetings conducted under the TA, and draft TA progress reports;
- (iv) coordinate logistical arrangements for regional workshops, including travel, hotel reservations, and venue arrangements;

- (v) coordinate with resource persons and participants regarding their engagement and participation in workshops and training;
- (vi) prepare and disseminate materials to participants for any events organized under this TA;
- (vii) liaise with ADB's Department of External Relations on the production of knowledge products;
- (viii) prepare and maintain a database of consultants and participants;
- (ix) provide backstopping during meetings and workshops and provide support to incountry meetings;
- (x) attend and provide support to ADB missions conducted under this TA, if needed; and
- (xi) perform other tasks as required.

15. **Research associate** (12 person-months). The consultant will have solid experience in doing economic research. He or she should have strong analytical and communication skills. Under the supervision of the RCI-TG Secretariat, the consultant will be stationed at ADB headquarters in Manila and will

- (i) prepare RCI-related knowledge products, as may be requested by the project leader and/or TA team members;
- (ii) assist in the preparation of the final publication and other dissemination materials under this TA;
- (iii) provide research and editorial assistance to the background paper and thematic papers produced under this TA;
- (iv) provide other research and general administrative support as may be requested by the project leader and/or other TA team members; and
- (v) attend and provide support to ADB missions conducted under this TA, if needed.

# C. Resource Persons

16. **Resource persons** (six resource persons, 4.1 person-months total). ADB will engage resource persons for short periods during the regional workshops and/or consultation meetings to make presentations, prepare background papers for the said events, or serve as peer reviewers for the background and thematic papers.

# OUTLINE OF THE FINAL REPORT

#### **Executive Summary**

- A. Regionalism in Asia and the Pacific
  - 1. Origins, Characteristics, and Reasons for Diversity
    - a. Asia and the Pacific-Europe Comparative Analysis
    - b. Asia and the Pacific–Latin America Comparative Analysis
  - 2. Going Beyond Subregions: Prospects for Inter-subregional Cooperation
  - 3. The Asia and Pacific Region and the Rest of the World: Prospects for Interregional Cooperation and Integration
- A. Prospects for Widening and Deepening Asian Integration
  - 1. Harnessing Economic Clusters and Economic Corridors
    - 2. Strengthening RCI's Role in Mitigating Inequality and Vulnerability: The Role of Regional Public Goods and Options for Mainstreaming Social and Environmental Interventions in the Design of RCI Initiatives
- B. Summary and Conclusion