



# Technical Assistance Report

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Project Number: 49446-001  
Regional—Research and Development Technical Assistance (R-RDTA)  
June 2016

## Asian Economic Integration: Building Knowledge for Policy Dialogue

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

### ABBREVIATIONS

ADB	–	Asian Development Bank
AEIR	–	Asian Economic Integration Report
ARIC	–	Asia Regional Integration Center
ASEAN	–	Association of Southeast Asian Nations
CMS	–	content management system
DMC	–	developing member country
ERCI	–	Regional Cooperation and Integration Division
FDI	–	foreign direct investment
FTA	–	free trade agreement
RCI	–	regional cooperation and integration
TA	–	technical assistance

### NOTE

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

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## RESEARCH AND DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 49446-001</b>	
<b>Project Name</b>	Asian Economic Integration: Building Knowledge for Policy Dialogue	<b>Department /Division</b>	ERCDC/ERCI
<b>Country</b>	REG	<b>Executing Agency</b>	Asian Development Bank
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ Industry and trade	Industry and trade sector development		0.10
	Trade and services		0.80
Finance	Finance sector development		0.15
	Trade finance		0.10
Transport	Multimodal logistics		0.05
		<b>Total</b>	<b>1.20</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns		
Regional integration (RCI)	Pillar 1: Cross-border infrastructure Pillar 2: Trade and investment Pillar 3: Money and finance Pillar 4: Other regional public goods		
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
Partnerships (PAR)	Implementation International finance institutions (IFI) Regional organizations		
Private sector development (PSD)	Conducive policy and institutional environment		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Regional	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>1.20</b>	
Research and development technical assistance: Technical Assistance Special Fund		1.20	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>1.20</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		No	
Use of country public financial management systems		No	

## I. INTRODUCTION

1. Strategy 2020 of the Asian Development Bank (ADB) highlights regional integration as one of the three complementary strategic agenda, along with inclusive growth and environmentally sustainable growth.<sup>1</sup> Under the regional integration agenda, ADB is mainly undertaking four roles: (i) increasing financial resources for regional cooperation and integration (RCI) projects, (ii) expanding the dissemination of RCI-related knowledge products, (iii) building the institutional capacity of developing member countries (DMCs) to manage RCI, and (iv) working as a catalyst and coordinator for closer cooperation among regional member countries. Following the launch of Strategy 2020 in 2008, and supported by the adoption of the RCI Strategy in 2006, RCI has become fully integrated as a strategic and operational pillar in most country partnership strategies.<sup>2</sup> ADB's Midterm Review of Strategy 2020 continues to underscore the RCI agenda, with support for RCI accounting for 22% of overall volume of ADB operations during 2013–2015.<sup>3</sup> ADB is working to meet the target of at least 30% by 2020.

2. The Regional Cooperation and Integration Division (ERCI) plays an important role in supporting ADB's mandate to promote RCI through its (i) knowledge products and services such as the Asian Economic Integration Report (AEIR), (ii) support for regional and global policy forums, and (iii) generation and maintenance of RCI-related data and research in support of ADB's RCI operations. Building on the success of previous technical assistance (TA) projects supporting the Asia Regional Integration Center (ARIC),<sup>4</sup> the TA will extend ERCI's major research and knowledge work with a heightened focus on the following areas: (i) strengthening the quality and impact of the AEIR, (ii) enhancing ADB's profile as a knowledge leader and DMC partner on RCI through effective support for ADB participation in regional and global policy forums, and (iii) improving the quality of the RCI database and policy analysis. The design and monitoring framework is in Appendix 1.<sup>5</sup>

## II. ISSUES

3. The region faces growing challenges amid sluggish global economic recovery and a slowdown in regional economic growth, which could undermine the sustained growth

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<sup>1</sup> ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

<sup>2</sup> ADB. 2006. *Regional Cooperation and Integration Strategy*. Manila.

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

<sup>4</sup> The ARIC is a one-stop and web-based portal containing knowledge and information such as (i) RCI-related initiatives, studies, news, opinions, and editorials; (ii) a macroeconomic and financial indicators database; (iii) an integration indicator database on finance, trade, labor mobility, and foreign direct investment (FDI); (iv) a free trade agreement (FTA) database and tool kit; and (v) an early warning system database. It was established in 2006 by ADB through its Office of Regional Economic Integration (currently known as ERCI) to (i) provide access to timely and relevant knowledge and information on RCI, (ii) assist regional economic monitoring and policy dialogue, and (iii) support research on RCI. Previous TA projects that supported the creation and maintenance of the ARIC and its precursor, the Asia Recovery Information Center, include the following: ADB. 1999. *Technical Assistance for the Establishment of the Asia Recovery Information Center*. Manila (TA 5848-REG); ADB. 2001. *Technical Assistance for the Asia Recovery Information Center, Phase II*. Manila (TA 5981-REG); ADB. 2003. *Technical Assistance for the Asia Recovery Information Center, Phase III*. Manila (TA 6138-REG); ADB. 2006. *Technical Assistance for the Asia Regional Integration Center*. Manila (TA 6314-REG); ADB. 2008. *Technical Assistance for the Asia Regional Integration Center, Phase II*. Manila (TA 6459-REG); ADB. 2009. *Technical Assistance for the Asia Regional Integration Center, Phase III*. Manila (TA 7396-REG); ADB. 2011. *Technical Assistance for the Asia Regional Integration Center, Phase IV*. Manila (TA 7913-REG); ADB. 2013. *Technical Assistance for the Asia Regional Integration Center, Phase V*. Manila (TA 8533-REG).

<sup>5</sup> The TA first appeared in the business opportunities section of ADB's website on 18 April 2016.

momentum of the region and further progress in poverty reduction.<sup>6</sup> These challenges include (i) the steep decline and volatility of commodity prices, which negatively affect regional commodity-exporting economies; (ii) the widening divergence in monetary policy stance among the world's developed economies, which poses the potential risk of capital flow reversal in the region; and (iii) a slowdown of regional trade growth, which could exacerbate a slowdown in regional economic growth further. A fast-changing global and regional economic environment and associated challenges underscore the importance of closer economic cooperation and integration for the region's sustained and stable growth.

4. Regional integration helps (i) unlock growth potential for Asia and the Pacific by (a) creating common regional markets through reducing barriers to trade, finance, and investment flows, and (b) enhancing cross-border connectivity; (ii) mobilize regional savings for regional investments; and (iii) reduce macroeconomic and financial vulnerability to shocks. Meanwhile, regional cooperation helps fend off potential risks of financial instability and forge effective policy responses to contain spillover risks. This is especially important since the need to manage the risks from increased interdependencies and spillovers from negative shocks originating both inside and outside the region is becoming increasingly crucial.

5. RCI is gaining some traction in Asia and the Pacific. For instance, intraregional trade share remains stable at around 55% since 2002. From 2010 to 2014, the region's outward foreign direct investments (FDIs) increased by 45.3% to \$512 billion, and intraregional FDI is estimated at \$255 billion in 2014, accounting for 52.6% of total inflows.<sup>7</sup> On portfolio capital flows, intraregional outward portfolio shares—for both equity and debt—increased from 18.7% in 2013 to 19.5% in 2014 even though the region was and remains more integrated with global markets than with regional markets. Free trade agreements (FTAs) continue to proliferate: cumulatively, 151 FTAs had been concluded by 2015, up from 45 in 2000.<sup>8</sup> In addition, dynamic developments in the RCI policy arena are taking place—including the signing of the Trans-Pacific Partnership among 12 members in February 2016,<sup>9</sup> and progress in negotiations of the Regional Comprehensive Economic Partnership<sup>10</sup>—that will significantly change the economic and policy environment for trade and investments among economies in the region. The region's production network has also strengthened and become increasingly interwoven with the global production network over the past decades. A deepening global value chain has significant implications on the changing trade and investment pattern, which requires appropriate policy responses. It can widen the wedge between statutory tariffs and actual tariff costs, for example.

6. All these developments call for deeper analysis on how regional integration is progressing through trade and investments, financial interconnectedness, and movement of people, and how regional cooperation can help in promoting inclusive and sustainable growth,

<sup>6</sup> In this paper, "region" refers to the Asia and Pacific region. ADB will seek a no-objection letter from the relevant governments in the event that the TA will undertake certain activities in their territories.

<sup>7</sup> ADB. 2015. *Asian Economic Integration Report 2015: How can Special Economic Zones Catalyze Economic Development?* Manila.

<sup>8</sup> Concluded FTAs refer to both signed FTAs that are not yet in effect, and signed FTAs in effect. ARIC FTA Database. <https://aric.adb.org/fta> (accessed 1 April 2016).

<sup>9</sup> The 12 members are Australia, Brunei Darussalam, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Viet Nam.

<sup>10</sup> During the 27th Association of Southeast Asian Nations (ASEAN) Summit held on 22 November 2015 in Kuala Lumpur, Malaysia, leaders called their ministers and negotiators to "intensify their efforts and we look forward to the conclusion of the [Regional Comprehensive Economic Partnership] negotiations in 2016." ASEAN. 2015. *27th ASEAN Summit: Joint Statement on the RCEP Negotiations*. Kuala Lumpur.

[http://www.asean.org/storage/images/2015/November/RCEP/RCEP%20Leaders%20Joint%20Statement\\_22%20Nov%202015\\_FINAL.pdf](http://www.asean.org/storage/images/2015/November/RCEP/RCEP%20Leaders%20Joint%20Statement_22%20Nov%202015_FINAL.pdf)

supplementing national policies, strengthening regional financial safety nets, and buttressing social and environmental protection.

7. The fast-changing economic environment and emerging challenges require policy makers in the region to stay vigilant in monitoring developments in regional economic issues and forging appropriate policy responses nationally as well as regionally. Various regional and global forums, such as the Asia-Pacific Economic Cooperation, the Association of Southeast Asian Nations (ASEAN), ASEAN+3,<sup>11</sup> Asia–Europe Meeting, and East Asia Summit, all aim to discuss policy measures to respond to and address growing challenges, and maximize mutual benefits through concerted actions and cooperation among regional economies. In tandem with this, ADB’s knowledge support role for these regional policy forums through relevant research and analytical work is becoming increasingly important.

### III. THE RESEARCH AND DEVELOPMENT TECHNICAL ASSISTANCE

#### A. Impact and Outcome

8. The impact will be enhanced awareness of RCI and how to leverage it for inclusive and sustainable growth in Asia and the Pacific. The outcome will be the creation of new RCI knowledge, policy options, and strategic suggestions to address pressing regional economic and development issues, which will be shared in various regional forums and with key stakeholders. The outcome will be measured through the number of high-quality, high-impact knowledge products and events on major RCI issues, reflected in the number of media citations and interviews, use of ARIC data and information in management speeches, and utilization of data and information by internal and external clients from the ARIC website.

#### B. Methodology and Key Activities

9. The outputs will include (i) key RCI publications and knowledge products, such as the AEIR and biannual confidential notes (reports on economic prospects and policy issues) for ASEAN+3; and (ii) timely generation of accurate RCI indicators and database, which will provide effective research and data support for ADB management’s participation in regional and global policy forums, and an information service for external clients, both in the policy arena and academia.

10. These outputs will be delivered through the following key activities:

(i) **Generation of key regional cooperation and integration publications and knowledge products.** In addition to providing updates on RCI progress in the areas of trade and investments, financial integration, movement of people, and trade policy, the AEIR will feature high-quality thematic chapters on recent and/or impending challenges and issues (e.g., FDI, macroeconomic and financial vulnerabilities and interconnectedness, global and regional value chains, and people mobility). In support of the ASEAN+3 meetings, reports on regional economic outlook and risks, as well as RCI progress on trade and financial integration, will also be prepared in time for the semiannual ASEAN+3 finance and central bank deputies’ meetings. The TA will also strengthen support for ADB’s RCI operations through knowledge generation on RCI-related issues, such as regional trade and investment, financial cooperation and integration, regional connectivity, and regional public goods. Stronger coordination with ADB’s operations departments will be pursued in terms of selection of research topics

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<sup>11</sup> ASEAN members plus the People’s Republic of China, Japan, and the Republic of Korea.

and use of appropriate methodologies for better relevance of knowledge work to operational needs. Research focus will be guided by the RCI strategy, with priority given to topics that are highlighted during regional and global policy forums, and to emerging issues where research could contribute to fruitful discussions among policy makers, with due consideration of regional knowledge solutions covered in ADB's regional knowledge plans. Given the scale and increasing frequency of climate-related and other natural hazards, and the serious damage they cause, studies on regional public goods will be explored in consultation with ADB's operations departments and Sustainable Development and Climate Change Department. The TA's operational support also includes conducting the annual survey of trade finance in collaboration with ADB's Private Sector Operations Department.

(ii) **Maintenance of regional cooperation and integration databases.** The TA will continue to provide a timely and accurate macroeconomic and financial database, a regional integration indicators database (i.e., finance, trade, labor mobility, and FDI); an FTA database and tool kit; and an early warning system database, which can be used by stakeholders inside and outside ADB, practitioners, and academia to help their policy- and research-related work. Enhancements will be made to make these databases user-friendly and easy to access.

(iii) **Dissemination of key regional cooperation and integration information and knowledge products.** To present the key findings of the AEIR, the TA will organize and conduct both internal and external AEIR launches and seminars in collaboration with ADB's regional departments and Department of External Relations. Outreach programs will target DMC officials, global and regional think tanks and opinion leaders, and other stakeholders. AEIR copies will be made available both in print and online formats. Effective dissemination of RCI knowledge products will also be pursued through international conferences and seminars in collaboration with research institutions. The TA will use social media platforms, such as Facebook and Twitter, to disseminate the TA's outputs. Blog entries will be posted on the ARIC website to feature RCI issues and topics and raise awareness on emerging challenges and priorities.

## C. Cost and Financing

11. The TA is estimated to cost \$1,200,000, 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

12. The TA will be implemented over 26 months from June 2016 to July 2018. ADB will be the executing agency. The TA will be implemented by ERCI with support from other divisions of ADB's Economic Research and Regional Cooperation Department and other ADB departments, offices, and thematic groups, particularly the RCI thematic group. For possible research collaboration and joint conferences and dissemination activities based on their areas of expertise and research interests, the TA will also identify and partner with suitable centers of excellence<sup>12</sup> in the region or globally.

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<sup>12</sup> Centers of excellence are "renowned knowledge providers outside and within Asia and the Pacific (including in DMCs) with whom ADB could partner for knowledge solutions." Source: ADB. 2013. *Knowledge Management Directions and Action Plan (2013–2015): Supporting "Finance ++" at the Asian Development Bank*. Manila.

13. The TA will require approximately 5 person-months of international consulting services, 268 person-months of national consulting services, and 5 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 that need to quickly adjust to evolving needs of stakeholders.

14. A team of ERCI staff comprising at least three international staff members (one of them acting as the project leader as well as the leader of the team of consultants, one national officer, and one operations assistant) will oversee and lead the implementation of the TA. For the production of research outcomes, including the AEIR, the team will organize internal seminars and workshops, which will include operations department experts as resource persons, as appropriate, to gather feedback and inputs. An international consultant will be hired to edit ERCI publications and speeches as well as ARIC website content. National consultants will include a principal economic analyst, who will provide coordination support to ARIC's operations; four senior economic analysts, who will lead the delivery of ARIC's core outputs, including the AEIR; and three economic analysts and a statistician, who will maintain and update the contents of the ARIC website and database, and assist in the preparation of ARIC publications and seminars. Other national consultants include one full-time system and database developer. One website developer and one multimedia designer and developer will also be engaged on an intermittent basis. About 18 resource persons who are internationally distinguished experts will be engaged for 5 person-months to present or facilitate discussions at seminars and other events. A typesetter, who will be sourced from the Department of External Relations list of accredited service providers, will be responsible for the typesetting and page layout of the AEIR. Appendix 3 provides the outline terms of reference for consultants.

15. 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 of in compliance with Administering Grant-Financed Technical Assistance Projects in the Project Administration Instructions.<sup>13</sup> Disbursements under this TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

#### **IV. THE PRESIDENT'S DECISION**

16. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,200,000 on a grant basis for the Asian Economic Integration: Building Knowledge for Policy Dialogue project, and hereby reports this action to the Board.

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<sup>13</sup> ADB. 2013. Administering Grant-Financed Technical Assistance Projects. *Project Administration Instructions*. PAI 5.09. Manila.

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the Technical Assistance is Aligned with</b>			
Enhanced awareness of RCI and how to leverage it for inclusive and sustainable growth in Asia and the Pacific (ADB Strategy 2020) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<b>Outcome</b> New RCI knowledge, policy options, and strategic suggestions to address pressing regional economic and development issues are created and shared in various regional forums and with key stakeholders	a. By 2018, at least two high-quality, high-impact knowledge products on major RCI issues are produced and disseminated  b. By 2018, at least two high-quality, high-impact knowledge events on major RCI issues are conducted	a. DER's media monitoring report, ARIC website statistics, Regional Cooperation and Integration Division monitoring of ADB management speeches  b. Feedback from participants, partners, and audience members	Changes in the global or regional economic and political environment undermine the importance of RCI as a key development strategy
<b>Outputs</b> 1. Key RCI publications and knowledge products are generated and disseminated	1a. One AEIR per year (2015 baseline: 1)  1b. At least 70 media citations per issue (2015 baseline: 70)  1c. At least 6 interviews per issue (2015 baseline: 6)  1d. At least 1,000 downloads per issue (2015 baseline: 1,000)  1e. Two reports on economic prospects and policy issues for ASEAN+3 per year (2015 baseline: 2)  1f. One trade finance survey report (2015 baseline: 1)  1g. Two internal and/or external AEIR seminars and launches per year (2015 baseline: 2)  1h. At least 2,000 people reached through social media (2015 baseline: 2,000)	1a. ADB K-Nexus  1b. ADB's DER media reports  1c. ADB's DER media reports  1d. ARIC and ADB websites statistics  1e. Feedback on these reports from participants and other stakeholders  1f. ADB K-Nexus  1g. Feedback on AEIR from seminar and/or launch participants from ADB departments, and partners and other audience  1h. Facebook statistics	Difficulties in collection of primary data delay the research schedule and production of knowledge products  No common time available among stakeholders to conduct consultation meetings to discuss the AEIR theme chapter  Unavailability of experts to present, comment, and review

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
2. Timely and accurate RCI indicators and database are maintained	<p>1i. One international conference per year (2015 baseline: 0)</p> <p>2a. Macroeconomic and financial database is updated monthly (2015 baseline: 12 times)</p> <p>2b. At least 100,000 page views per year (2015 baseline: 100,000)</p> <p>2c. Integration indicators database, FTA database and tool kit, and early warning system database are updated regularly (2015 baseline: twice a year)</p> <p>2d. At least 50,000 page views for integration indicators per year (2015 baseline: 50,000)</p> <p>2e. At least 300,000 page views for FTA database per year (2015 baseline: 300,000)</p> <p>2f. Basic finance sector database is updated regularly (2015 baseline: daily)</p> <p>2g. At least 2,500 page views for Daily Market Watch section per year (2015 baseline: 2,500)</p>	<p>1i. Background papers produced and presented, and feedback from participants and key speakers</p> <p>2a. ARIC database</p> <p>2b. ARIC website statistics</p> <p>2c. ARIC database</p> <p>2d. ARIC website statistics</p> <p>2e. ARIC website statistics</p> <p>2f. ARIC database</p> <p>2g. ADB website statistics and ADB Management feedback</p>	Technical problems blocking access to the ARIC website

#### Key Activities with Milestones

##### 1. Key regional cooperation and integration publications and knowledge products are generated and disseminated

- 1.1 Engage individual consultants and resource persons (June–July 2016, May 2017)
- 1.2 Gather and analyze data for the AEIR (November 2016–May 2017 and November 2017–May 2018)
- 1.3 Conduct brainstorming sessions for the AEIR (November–December 2016 and November–December 2017)
- 1.4 Publish the AEIR (December 2016 and November 2017)
- 1.5 Conduct internal and external AEIR seminars and launches (December 2016 and November 2017)
- 1.6 Gather and analyze data for the report on economic prospects and policy issues for ASEAN+3 (June 2016–February 2017 and May–October 2017)
- 1.7 Gather, analyze, and produce the Daily Market Watch; and update the ARIC database (June 2016–May 2018)

<p><b>Key Activities with Milestones</b></p> <p>1.8 Conduct seminar series and/or workshops on RCI (June 2016–May 2018)</p> <p>1.9 Process survey and write a related report on trade finance (December 2016–June 2017)</p> <p>1.10 Conduct international conferences (June 2017, June 2018)</p> <p><b>2. Timely and accurate regional cooperation and integration indicators and database are maintained</b></p> <p>2.1 Update website content (news, studies, Daily Market Watch) and macroeconomic and financial database (June 2016–July 2018)</p> <p>2.2 Update finance and trade integration database (April–June 2017 and October–December 2017)</p> <p>2.3 Update labor mobility and foreign direct investment database (May–August 2017)</p> <p>2.4 Update the FTA database and tool kit (February–December 2017)</p> <p>2.5 Update the early warning system database (June–July 2016, February–March 2017, June–July 2017, and February–March 2018)</p>
<p><b>Inputs</b></p> <p>ADB: \$1,200,000</p>
<p><b>Assumptions for Partner Financing</b></p> <p>Not applicable.</p>

ADB = Asian Development Bank; AEIR = Asian Economic Integration Report; ARIC = Asia Regional Integration Center; ASEAN+3 = 10 members of the Association of Southeast Asian Nations plus the People's Republic of China, Japan, and the Republic of Korea; DER = Department of External Relations; FTA = free trade agreement; RCI = regional cooperation and integration.

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

Source: ADB.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	65.0
ii. National consultants	660.0
b. International and local travel	4.0
2. Equipment <sup>b</sup>	3.0
3. Training, seminars, and conferences	
a. Facilitators <sup>c</sup>	191.0
b. Training program	170.0
4. Surveys	10.0
5. Miscellaneous administration and support costs <sup>d</sup>	95.0
6. Contingencies	2.0
<b>Total</b>	<b>1,200.0</b>

<sup>a</sup> Financed by the Technical Assistance Special Fund (TASF-V) of the Asian Development Bank (ADB).

<sup>b</sup> Equipment to be purchased includes computers and software. After the technical assistance completion, procured equipment will be turned over or disposed of in compliance with ADB. 2013. Administering Grant-Financed Technical Assistance Projects. *Project Administration Instructions*. PAI 5.09. Manila.

<sup>c</sup> ADB staff may be utilized as resource persons at these events.

<sup>d</sup> Includes printing, publication, translation-related expenses, and database subscriptions, including Roubini Global Economics, CEIC Data, Haver Analytics, World Trade Online, United Nations World Tourism Organization database, and Bloomberg.

Source: ADB 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 Division (ERCI) of its Economic Research and Regional Cooperation Department, will require 273 person-months of consultant inputs, including one individual international consultant to edit the knowledge outputs produced under the TA, nine individual national consultants to provide analytical and research support, and three individual national consultants to help manage and develop the Asia Regional Integration Center (ARIC) website. ERCI, which will coordinate TA implementation, will be responsible for providing overall research guidance and consolidating the research outputs of the individual consultants. Wherever possible, ERCI will also engage in collaborative research with other divisions and departments within ADB.

### **A. Individual International Consultant**

2. **Economics and copy editor** (1 position, 5 person-months). The editor, preferably with 15 years of relevant work experience, should be familiar with economic and development issues in Asia and the Pacific, and have strong communication skills. The consultant is expected to edit the ARIC website, management statements, press releases, ERCI publications, and technical documents; and write comments on the substance and logic of arguments and outputs to ensure compliance with ADB style and usage. Under the supervision of ADB staff, the editor will

- (i) edit the contents of the ARIC website, the Asian Economic Integration Report (AEIR), press releases, management speeches, and technical documents;
- (ii) examine economic arguments in the documents to assess whether they are logical and are based on accepted economic theory and principles, and revise them, if necessary;
- (iii) examine and edit the tables and figures in the documents to support data consistency;
- (iv) provide support to ERCI in preparing management speeches; and
- (v) ensure that documents adhere to ADB style and usage and conform to high publication standards.

### **B. Individual National Consultants**

3. **Principal economic analyst** (1 position, 24 person-months). The analyst will have sufficient managerial capabilities to perform supervisory tasks, extensive knowledge of economic and policy issues in the region, adequate background on database development and management, strong proficiency in data processing and analysis, familiarity with computer applications used in economic analysis, and good communication skills. The analyst, preferably with 8 years of relevant work experience, will work on a daily basis at ADB headquarters and will report to the project leader and/or other TA members. Under the supervision of the project leader and/or TA members, the analyst will

- (i) coordinate with other TA members in the absence of the project leader,
- (ii) assist in the management of the daily operations of ARIC,
- (iii) help the project leader and/or other TA members implement the ARIC work plan,
- (iv) assist in the supervision of technical work done by the consultants engaged under this TA,
- (v) support the project leader and/or other TA members in the preparation of management reports related to ARIC,
- (vi) liaise with ADB departments and other stakeholders on ARIC-related matters,

- (vii) provide research support in the preparation of the AEIR by providing country notes and data assistance,
- (viii) execute data and research requests from ERCI management, and
- (ix) provide other technical support as may be requested by the project leader and/or other TA members.

4. **Senior economic analysts** (4 positions, 96 person-months total). The analysts, each engaged for 24 person-months, will manage and supervise the delivery of ARIC's core services: (i) website and database updating, (ii) regional economic monitoring, and (iii) research and modeling. The analysts, preferably with 6 years of relevant work experience each, will have technical knowledge in terms of information technology and programming, economic and policy issues, and economic modeling. The analysts will work on a daily basis at ADB headquarters and will report to the principal economic analyst, project leader, and/or other TA members. Under the supervision of the project leader and/or other TA members, the analysts will

- (i) assist in the delivery of outputs under ARIC's core services,
- (ii) review the work done by the other national consultants engaged under this TA,
- (iii) lead the preparation of the regional cooperation and integration (RCI)-related knowledge products under this TA,
- (iv) lead the preparation of the AEIR and other ERCI publications supported by ARIC,
- (v) lead the preparation of macroeconomic and financial monitoring reports (daily and weekly),
- (vi) prepare macroeconomic reports on assigned Asian economies as inputs to ERCI policy reports and publications,
- (vii) provide data and editorial assistance to other ERCI publications,
- (viii) provide logistical and coordination support to ERCI seminars, website promotion, and other activities as requested by ADB staff, and
- (ix) provide other research and general administrative and technical support as may be requested by the project leader and/or other TA members.

5. **Economic analysts** (3 positions, 72 person-months total). The analysts, each engaged for 24 person-months, will help the TA operate the ARIC website, develop and update indicators, provide data assistance, and prepare the AEIR. The analysts, preferably with 3 years of relevant work experience each, will have extensive experience in economic, social, and financial data processing and analysis; be familiar with issues concerning RCI; have strong communication skills; and be proficient in using standard computer applications and software. The analysts will work on a daily basis at ADB headquarters and will report to the principal economic analyst, project leader, and/or other TA members. Under the supervision of the project leader and/or other TA members, the analysts will

- (i) maintain, develop, and contribute to the enhancement of the following sections of the website:
  - (a) RCI pillars (money and finance, trade and investment, infrastructure and software, regional public goods);
  - (b) RCI integration indicators and databases;
  - (c) economic and financial indicators;
  - (d) early warning system database;
  - (e) trade finance survey results; and
  - (f) other sections as may be required;
- (ii) support the operation and development of the ARIC website;
- (iii) assist in conceptualizing website design and front-end user tools and preparing requirements for content management systems (CMSs);

- (iv) prepare RCI-related knowledge products, including RCI digest and country profiles on RCI indicators;
- (v) assist in the preparation of the AEIR and other ERCI publications;
- (vi) prepare daily and weekly macroeconomic and financial monitoring reports;
- (vii) prepare macroeconomic reports on assigned Asian economies as inputs to ERCI policy reports and publications;
- (viii) provide data and editorial assistance to AEIR and other publications produced under this TA;
- (ix) provide logistical and coordination support to RCI seminars organized by ERCI, website promotion, and other activities as requested by ADB staff; and
- (x) provide other research and general administrative and technical support as may be requested by the project leader and/or other TA members.

6. **Statistician** (1 position, 24 person-months). The statistician will help the TA operate the ARIC website, develop and update indicators, provide data assistance, and prepare the AEIR. The statistician will have extensive experience in economic and financial data processing and analysis, preferably for 5 years; strong communication skills; ability to coordinate with government offices and data providers that deal with national or global statistics, if needed; and advanced skills in gathering data, and proficiency in using software with standard applications. The statistician will be working on a daily basis at ADB headquarters and will report to the principal economic analyst, project leader, and/or other TA members. Under the supervision of the project leader and/or other TA members, the statistician will:

- (i) collect and process economic and financial data;
- (ii) liaise with other national consultants engaged under this TA in processing and analyzing the data;
- (iii) provide support in maintaining the early warning system database;
- (iv) assist in the preparation of the AEIR and other ERCI publications;
- (v) provide logistical and coordination support to RCI seminars organized by ERCI, website promotion, and other activities as requested by ADB staff; and
- (vi) provide other research and general administrative and technical support as may be requested by the project leader and/or other TA members.

7. **System and database developer** (1 position, 24 person-months). The system and database developer, preferably with 10 years of relevant work experience, will help the project leader and/or other TA members expand, improve, and operate the ARIC website. The system and database developer will work on a daily basis at ADB headquarters and will report to the principal economic analyst, project leader, and/or other TA members. Under the supervision of the project leader and/or other TA members, the system and database developer will

- (i) improve the CMS for the macroeconomic and financial indicators database, including adding new functions to the front-end website interface of the user-defined section of the database;
- (ii) revise the CMS for the regional integration indicators database, including adding new functions to facilitate inputs of various types of datasets and creating new outputs needed for website uploads and research;
- (iii) improve the CMS for the early warning system database, including
  - (a) adding more fields and functions to accommodate more countries and additional vulnerability indicators, and
  - (b) merging the early warning system database with the macroeconomic and financial database for easy updating;
- (iv) maintain and upgrade the free trade agreement (FTA) database CMS, including adding a user-defined interface;

- (v) develop a user-friendly integrated interface for all ARIC databases;
- (vi) assist in the supervision of database-related collaboration projects with other ADB departments and external stakeholders, including scoping the data requirements and assisting in the conceptualization of an information technology plan and framework;
- (vii) conceptualize, design, and implement other database-related system requirements for the ARIC website, particularly for new content as may be determined by other TA members and consultants;
- (viii) manage the ARIC website's daily promotion in the absence of the website developer;
- (ix) design and implement front-end web tools to enhance ARIC website functionality and presentation;
- (x) revise, enhance, and optimize the databases and CMS for the ARIC macroeconomic database, RCI and FTA database, and new content databases as may be determined by other TA members and consultants;
- (xi) prepare technical documentation for implemented databases and CMS;
- (xii) conduct and oversee usability testing for the ARIC website; and
- (xiii) provide other information technology support as may be requested by the project leader and/or other TA members.

8. **Website developer** (1 position, 18 person-months). The website developer, preferably with 8 years of relevant work experience, will help the project leader and/or TA members expand, improve, and operate the ARIC website. The website developer will work on an intermittent basis at ADB headquarters and will report to the principal economic analyst, project leader, and/or other TA members. Under the supervision of the project leader and/or other TA members, the website developer will

- (i) design and improve the navigational tools using state-of-the-art technologies to improve user access across various content areas of the website;
- (ii) build and maintain an efficient CMS to track and manage content, including text and graphics published on the ARIC website;
- (iii) build highly interactive interfaces, a geo-data mapper, and charting components for the macroeconomic and financial indicators database and the integration indicators database, and a comparative tool kit for the FTA database;
- (iv) manage image galleries, podcasts, and video feeds;
- (v) implement a tracking system to monitor ARIC website statistics;
- (vi) conceptualize and execute designs for new uploads, and suggest modifications in page design;
- (vii) analyze program specification and design, implement programs to generate links and web pages, and test and debug the programs;
- (viii) maintain or modify programs to revise and update the contents of the improved ARIC website;
- (ix) develop new concepts to simplify the ARIC website updating procedures;
- (x) update and check entire database for errors, and manage the file structure of the entire website;
- (xi) promote daily updates on the development and global websites;
- (xii) prepare technical documentation for the improved ARIC website;
- (xiii) conceptualize and develop compact disc brochures and portable database applications;
- (xiv) conduct usability testing to evaluate and measure the website's ease of use; and
- (xv) provide other information technology support as may be requested by the project leader and/or other TA members.

9. **Multimedia designer and developer** (1 position, 10 person-months). The multimedia designer and developer, preferably with 8 years of relevant work experience, will help the project leader and/or other TA members operate, improve, and expand the ARIC website by undertaking graphic design work of web pages to be created. The consultant will work on an intermittent basis at ADB headquarters and will report to the principal economic analyst, project leader, and/or other TA members. Under the supervision of the project leader and/or other TA members, the multimedia designer and developer will

- (i) conceptualize designs and develop front-end templates for the ARIC website and pages;
- (ii) manage and update static content for the ARIC website and pages;
- (iii) conceptualize and execute design, including icons and thumbnails of new web pages;
- (iv) carry out other tasks related to web graphical design as assigned by the project leader and/or other TA members;
- (v) provide support to ARIC on site uploads and editing support for all ARIC online and/or print materials;
- (vi) conceptualize and implement designs for ARIC and ERCI promotional materials;
- (vii) provide layout services to various ARIC documents and ERCI publications;
- (viii) coordinate with relevant departments to ensure that the graphic design work of the website is consistent with ADB design guidelines;
- (ix) provide photography and video production support, edit video materials, convert files to various formats, produce compact disc and/or DVD materials, prepare cover design, and assist ARIC with local events and reproduction requests; and
- (x) provide other publication support as may be requested by the project leader and/or other TA members.

### C. Resource Persons

10. **Resource persons** (about 18 positions, 5 person-months total). Each resource person will be engaged for not more than 10 working days to make presentations at RCI seminars and conferences, and/or AEIR launches, seminars, and workshops. The resource persons will be internationally distinguished experts or policy makers specializing on RCI issues. The resource persons will

- (i) conduct presentations on the topics assigned to them; and
- (ii) moderate and facilitate discussions and exchanges of ideas among participants, as well as with other resource persons.

## OUTLINE OF THE ASIAN ECONOMIC INTEGRATION REPORT

### Highlights

- I. Progress in Regional Cooperation and Integration
  - A. Trade and Investment Integration
  - B. Financial Integration
  - C. Movement of People
  - D. Trade Policy
- II. Regional Cooperation and Integration Special Chapter
- III. Statistical Appendix