

ASIAN DEVELOPMENT BANK

TAR:REG 37042

PROPOSED

TECHNICAL ASSISTANCE

(Cofinanced by the Government of the United Kingdom)

FOR

MAKING MARKETS WORK BETTER FOR THE POOR

June 2003

ABBREVIATIONS

ADB	–	Asian Development Bank
ADB I	–	Asian Development Bank Institute
CLV	–	Cambodia, Lao PDR, and Viet Nam
CPRGS	–	Comprehensive Poverty Reduction and Growth Strategy
CSP	–	Country Strategy and Program
DFID	–	Department for International Development, United Kingdom
Lao PDR	–	Lao People's Democratic Republic
ODA	–	official development assistance
RETA	–	regional technical assistance
RM	–	resident mission
TOR	–	terms of reference
VRM	–	Viet Nam Resident Mission

NOTE

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

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I. INTRODUCTION

1. The resident missions (RMs) of the Asian Development Bank (ADB) in Cambodia, Lao People's Democratic Republic (Lao PDR), and Viet Nam (collectively, the countries are herein called CLV) have been stepping up knowledge management by making the RMs more active as development resource centers. In these transition economies, as a multilateral institution and a regional bank, ADB is perceived by the governments and civil society as being close to the country and knowledgeable about the region's needs and aspirations. This presents ADB with an opportunity to catalyze, at the country level, its knowledge management role in promoting social and economic development and poverty reduction. ADB's extensive developmental knowledge and experience need to be shared, at the country level, in a structured, systematic as well as sensitive way. This is particularly because a major challenge in these transition economies is that the specific institutional context of the country is important. Frameworks and policies that may apply elsewhere have to be carefully adapted, and workable approaches and implementable policies evolved, taking into account the country-specific sociopolitical and institutional context.

2. Against this backdrop, during 2002, the Viet Nam Resident Mission (VRM) initiated a proposal to undertake, in-country, a program of policy and operations-oriented research and analytical work focusing on selected key issues, sectors, and cross-cutting themes within the framework of ADB's strategic operational agenda and priorities in Viet Nam, as reflected in the Country Strategy and Program (CSP) that was endorsed by the Board in January 2002. Also during 2002, the Department for International Development (DFID) of the Government of the United Kingdom conducted a government-donor workshop in Hanoi where it presented a framework paper on its Making Markets Work Better for the Poor initiative.¹ As a result of follow-up consultations between DFID and VRM, DFID offered to provide cofinancing to work jointly with ADB on this initiative in Viet Nam, under the unifying theme of Making Markets Work Better for the Poor, as this reflects the high priority that both institutions give to poverty reduction and pro-poor growth. Subsequently, and in coordination with ADB RMs in Cambodia and Lao PDR, the country coverage on this initiative was proposed to be extended, utilizing the regional technical assistance (RETA) modality, especially as Cambodia and Lao PDR are transition economies with broadly similar structural problems and development challenges.² The Asian Development Bank Institute (ADBI) has agreed to join this initiative as a parallel financier and knowledge partner, particularly for the Cambodia and Lao PDR parts of the program.

II. ISSUES

3. Viet Nam achieved remarkable economic and social progress during the 1990s, essentially halving poverty between 1990 and 2000. Building on previous high levels of human capital and social development, the progress was largely the result of a shift towards a more market-oriented economy, particularly in the agriculture sector, coupled with more equitable distribution of assets (land) and macroeconomic stability. As a transition economy, the country is characterized by a strong sense of history, independence, and resoluteness. The transition from a centrally planned to a market-oriented economy to date has been through a mixture of part good policy, part sheer necessity, and part finding ways around structural impediments

¹ DFID. 2000. Making Markets Work Better for the Poor. Framework Paper presented during the Government-Donor Workshop, Hanoi, November; World Bank. 2000/2001. World Development Report 2000/2001: Attacking Poverty (devoted a chapter on this theme, with a similar title). Hanoi.

² The TA was first listed in *ADB Business Opportunities Internet Edition* on 26 February 2003.

such as weaknesses in certain policy areas and opaqueness in the public administration system.

4. Viet Nam is moving from a stage where broad-brush market-oriented reforms were initially required, to a situation where more focused and deeper reforms are now needed in specific areas. Notably, the efficiency of resource allocation in the non-agriculture sectors must be improved to generate the needed employment through the development of a domestic private sector. This will require the further development of land, labor, and financial institutions and knowledge markets.

5. Recent pronouncements — from constitutional amendments to the 10-year strategy, 5-year plan, and the Government's Comprehensive Poverty Reduction and Growth Strategy (CPRGS) — confirm the intention to continue along the path of further development of markets and market institutions. Local administrations (Ho Chi Minh City, Binh Duong Province) have taken innovative and successful approaches to market development. The operations of many official development assistance (ODA) partners of Viet Nam are being reoriented to focus more sharply on poverty reduction and private sector development. However, progress towards poverty reduction and market liberalization can be slowed down by a number of risk factors. For instance, the nature of the needed reforms is now more complex, and requires more in-depth technical assessment of the functioning of local markets and of the obstacles to their further development. Equally important is to look into the implications at the local level of the increasing openness of CLV as part of the ASEAN Free Trade Area commitments and preparation for World Trade Organization accession and find ways to minimize short-run costs to poor people. Poor people in rural areas also suffer particular difficulties both in having their voice heard, i.e., lack of participation in policy making, and in accessing competitive markets. Detailed knowledge of local governance in market development, particularly the respective roles of markets and state and local institutions, would help refine the policy and institutional framework meant for pro-poor growth. Also, while Viet Nam has been placing greater importance on decentralization and more balanced regional development, lessons learned from successful experiences at the local level are not being systematically documented and disseminated. Many of the policy implications of CPRGS implementation still need to be fleshed out. While Viet Nam's ODA partners place high priority on poverty reduction, the broad reorientation of ODA programs towards poverty reduction, while intended, is not fully supported by a detailed understanding of how project design and the accompanying policy measures must be modified to place greater reliance on markets and associated institutions. ADB therefore has a strong incentive to improve the understanding of how markets can be made to work better for the poor. ADB is also in the position to support implementation of the findings directly through its projects in Viet Nam and indirectly through policy dialogue with the Government.

6. Cambodia and Lao PDR while at different levels in their transition to market orientation, have been making steady progress in their pursuit of reforms. These issues and risk factors are also relevant and applicable to these two transition economies. There is, therefore, now a unique opportunity to consolidate the emphasis on market-based and pro-poor growth in CLV, as broadly outlined in their respective national poverty reduction strategies, such as in CPRGS in the case of Viet Nam. This is by fostering applied research and analysis; taking stock of recent pilot experiences, both in-country and best practices abroad; and translating the findings into concrete recommendations for a next round of more specific market-oriented reforms and improved design of ODA operations. To achieve these objectives, it is necessary that the research, policy analysis, and diagnostic work be (i) linked to specific government priorities and ODA initiatives; (ii) perceived as unbiased and of technically high standards; (iii) developed in

close cooperation with local institutions; and (iv) disseminated through a variety of appropriate channels, thereby contributing to the development debate and policy-making process.

7. The proposed RETA will therefore provide ADB with the opportunity to proactively catalyze and practice knowledge management by supporting and facilitating policy makers and economic managers to steer the economies of CLV progressively towards greater use of market instruments while avoiding the rolling back of earlier social gains, the latter as evidenced in many other transition economies. Effective implementation would involve identification of strategic sectors, and policy and institutional reforms that are path dependent. The underlying concern would be to strive for a balance between the roles of the markets, the state, and civil society, i.e., a blend that embodies the uniqueness of the situation in each country reflecting nationally defined priorities, values, and circumstances including social, political, regional, and cultural ones. In this sense, the RETA is country-focused and also very much process oriented, as it will bring policy analysts, and those influencing policy decision making face to face with the important questions of development and the challenge to make the policy trade-offs and choices both consistently and in an informed manner.

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Purpose and Outputs

8. The overall goal of the program of activities under the RETA is to enhance the knowledge and understanding of the links between growth and poverty and the dynamics of markets and institutions with a view to facilitating sustainable economic growth and poverty reduction. The purposes are to (i) undertake substantive analytical research and diagnostic work focused on operational and policy issues linked to further development of markets in each country to achieve more pro-poor development outcomes; (ii) network and collaborate in each country with selected centers of excellence and local researchers to jointly undertake such analyses, apply the outcomes in policy dialogue with the respective governments, and assist them in the policy making process; and (iii) through these process activities, help build local capacity to undertake applied policy-oriented research. The RETA will address specific reform measures under consideration by the governments of CLV, and underpin implementation of ADB's poverty reduction strategy embedded in the CSP and poverty partnership agreements in CLV. It will support and facilitate dialogue among government agencies, stakeholders including the poor, the private sector, official development assistance (ODA) partners, and nongovernment organizations.

9. Key outputs and deliverables will include (i) a number of analytical studies and research papers on priority operational and policy issues linked to market development and their interactions for poverty reduction; (ii) stronger local capacity to analyze and develop policies for pro-poor growth; (iii) stronger research networks for exchange of knowledge products and policy debate; (iv) enhanced policy dialogue between government and other stakeholders; and (v) increased awareness about making markets work better for the poor. The emphasis will be on results and outputs of a concrete nature that are of immediate use in government policy formulation and ODA project design. In addition, the RETA will generate and disseminate the results of field surveys through discussion papers, policy briefs, and workshop and conference proceedings. It will build local research capacity through its learning-by-doing approach, networking, and dissemination of knowledge products. There will be a dedicated website, regular e-discussion on priority issues, and exchange of information and ideas. The goal, purpose, outputs, activities and inputs are summarized in the TA Framework in Appendix 1.

B. Methodology and Key Activities

10. The RETA will identify and carry out a number of surveys and studies aimed at better understanding the link between poverty and broad-based sustainable growth, and between the development of specific markets and poverty reduction. A mapping of the priority areas for investigation will be carried out by identifying the various markets affecting poor people's livelihood, on the basis of some typical situations, such as that of rice farmers, perennial crop growers, household and small entrepreneurs and artisans, unregistered urban migrants, and ethnic minority households in remote areas. The specific markets and institutions, that have the potential to affect the poor under these categories, are land, labor, capital (credit, savings), products and services (including infrastructure, health, education, and social security), and institutions including government policies and procedures and community-based initiatives and associations.

11. Each government and their think tanks, ADB's knowledge departments and concerned sector divisions, and other concerned ODA partners will be consulted before the priority research agenda for each country for the first year will be confirmed. The topics will be linked to government reform efforts and/or the design of related ADB operations, and will investigate issues for which there are concerns that market mechanisms are not adequately developed, or that their use may not be leading to pro-poor outcomes. Implementation of the RETA will therefore follow a cluster approach and a participatory process, with at least three research studies selected and implemented during the first year. The focus will be on providing concrete answers to specific policy questions, relying on empirical analyses. Based on the outcome of the first year of activities and on evolving development priorities in each country, the research agenda for the second year will be selected. The same approach will be followed for the third year.

12. Participating researchers in the studies will be selected from among national research institutes or universities or as individuals on a competitive research proposal basis (see Appendix 2 for an indicative list). They will carry out the research under the supervision of international sector specialists engaged under the RETA. Their methodologies, work progress, and findings will be discussed at inception, midterm, and final workshops. To ensure internationally acceptable research standards and high quality recommendations, all research reports will be reviewed by an international panel of up to three distinguished experts engaged under the RETA. There will be annual conferences during RETA implementation to present the outcome and policy recommendations from the completed research projects, discuss emerging priority topics, and identify the following year's work program. CLV policy makers will participate in the conferences and their deliberations.

13. The findings and processes will also be relevant for other transitional countries in the region served by ADB and for developing countries elsewhere. Mechanisms will be established in coordination with the knowledge departments at ADB headquarters to facilitate diffusion of the findings in addition to the printed and electronic publications under the RETA. The RETA will be implemented in cooperation with ongoing research efforts on selected topics being carried out by ADB knowledge departments and sector divisions and ADBI.

C. Cost and Financing

14. The total cost of the RETA is estimated at \$2.40 million equivalent over a 3-year period, to be financed on a grant basis by ADB's TA funding program in an amount of \$200,000 equivalent and by the Government of the United Kingdom in an amount of \$2 million equivalent

for project coordination and activities based in Viet Nam (Appendix 3). The cost will cover (i) international and domestic resource persons; (ii) workshops, seminars, and conferences; (iii) local researchers, field surveys, and data collection; (iv) travel expenses; and (v) project administration costs, including administrative assistants, interpreters/translators, communications, printing, domestic travel, and office equipment (including office furniture, computers, printers, etc.) and supplies. In addition, ADBI will finance, in parallel, research studies and capacity-building activities, especially in Cambodia and Lao PDR, in a manner consistent with the objective and scope of the RETA, in an amount not exceeding \$200,000 equivalent during the RETA implementation period. Based on progress and performance during the initial implementation, additional financing or cofinancing may be pursued for activities in Cambodia and Lao PDR for subsequent years. The detailed cost estimates and financing plan is given in Appendix 3.

D. Implementation Arrangements

15. RETA implementation will be guided by an advisory committee (AC), with a coordinator based in VRM under the supervision of a senior VRM staff member and with the VRM country director serving as the RETA director. The AC's members will comprise CLV resident mission country directors, ADB staff selected from the knowledge departments and sector divisions as appropriate, a DFID representative, and an ADBI representative. As necessary and appropriate, AC will draw on technical advice and inputs from the international panel of experts.

16. ADB will be the Executing Agency for the RETA, with VRM responsible for overall RETA management and for the Viet Nam-related RETA activities; the Cambodia and Lao PDR resident missions, in coordination with ADBI, will be responsible for the Cambodia and Lao PDR-related RETA activities, respectively. The RETA will require 36 person-months of a coordinator, 50 person-months of economists; 20 person-months of international sector specialists, 6 person-months equivalent for the panel of distinguished international experts, and 225 person-months of participating domestic researchers. Terms of reference for these positions and also an indicative implementation schedule are given in Appendix 4.

17. The coordinator will be engaged on an individual consultant basis following ADB's *Guidelines on the Use of Consultants*. The international panel of distinguished experts, international sector specialists, and other domestic and international experts for the workshops and conferences will be engaged as resource persons (on a retainer basis). Domestic participants/researchers will be selected following a competitive research proposal basis and engaged on an individual basis. The RETA will commence in July 2003 and will be completed by December 2006.

IV. THE PRESIDENT'S RECOMMENDATION

18. The President recommends that the Board approve ADB administering a portion of technical assistance not exceeding the equivalent of \$2,000,000 for Making Markets Work Better for the Poor, to be financed on a grant basis by the Government of the United Kingdom. If the Board approves ADB administering the portion of the technical assistance to be financed by the Government of the United Kingdom, the President, acting under the authority delegated by the Board, shall approve the technical assistance to be financed by ADB on a grant basis in an amount not exceeding the equivalent of \$200,000, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Narrative Summary	Verifiable Indicators	Means of Verification	Important Assumptions (and risk mitigating measures)
<p>Goal To facilitate the development of markets to promote sustainable pro-poor economic growth and more equitable distribution of its benefits to accelerate poverty reduction</p>	<p>Household income and poverty levels</p> <p>Survey reports</p>	<p>Living standards surveys</p> <p>Sector-specific data</p>	<ul style="list-style-type: none"> • Studies provide concrete and implementable recommendations. • Outcome of studies applied in design of ADB projects and Government policies
<p>Purpose</p> <p>(i) Undertake substantive analytical studies focused on operational and policy issues linked to the further development of market institutions to achieve more pro-poor development outcomes</p> <p>(ii) Network and collaborate</p> <p>(iii) Build local capacity to undertake such analysis and apply the outcomes in policy dialogue with the respective governments and assist them in policy making and promote networking</p>	<p>Use of study recommendations in the design of government policies and programs</p> <p>Use of study recommendations in the design of ADB projects</p>	<ul style="list-style-type: none"> • Annual CPRGS progress reports • Sector level policy initiatives • ADB project documents in related sectors • ADB country strategy and program updates (annual) • ADBI reports 	<ul style="list-style-type: none"> • Choice of topics is relevant for CLV's development challenges (advisory committee to oversee) • Government participation in annual conference and choice of topics • Study methodology is sound (quality check and advice by international resource persons).
<p>Outputs</p> <p>(i) Analytical studies on operational and policy issues linked to markets and their interactions for poverty reduction</p> <p>(ii) Stronger national capacity to analyze and develop policies for pro-poor growth;</p> <p>(iii) Stronger research networks for exchange of knowledge products and policy debate</p>	<ul style="list-style-type: none"> • Reports on different topics related to priority issues produced • International referees' reports on each study report for quality assurance 		<p>Resources are used effectively (ADB oversight; close implementation supervision).</p>

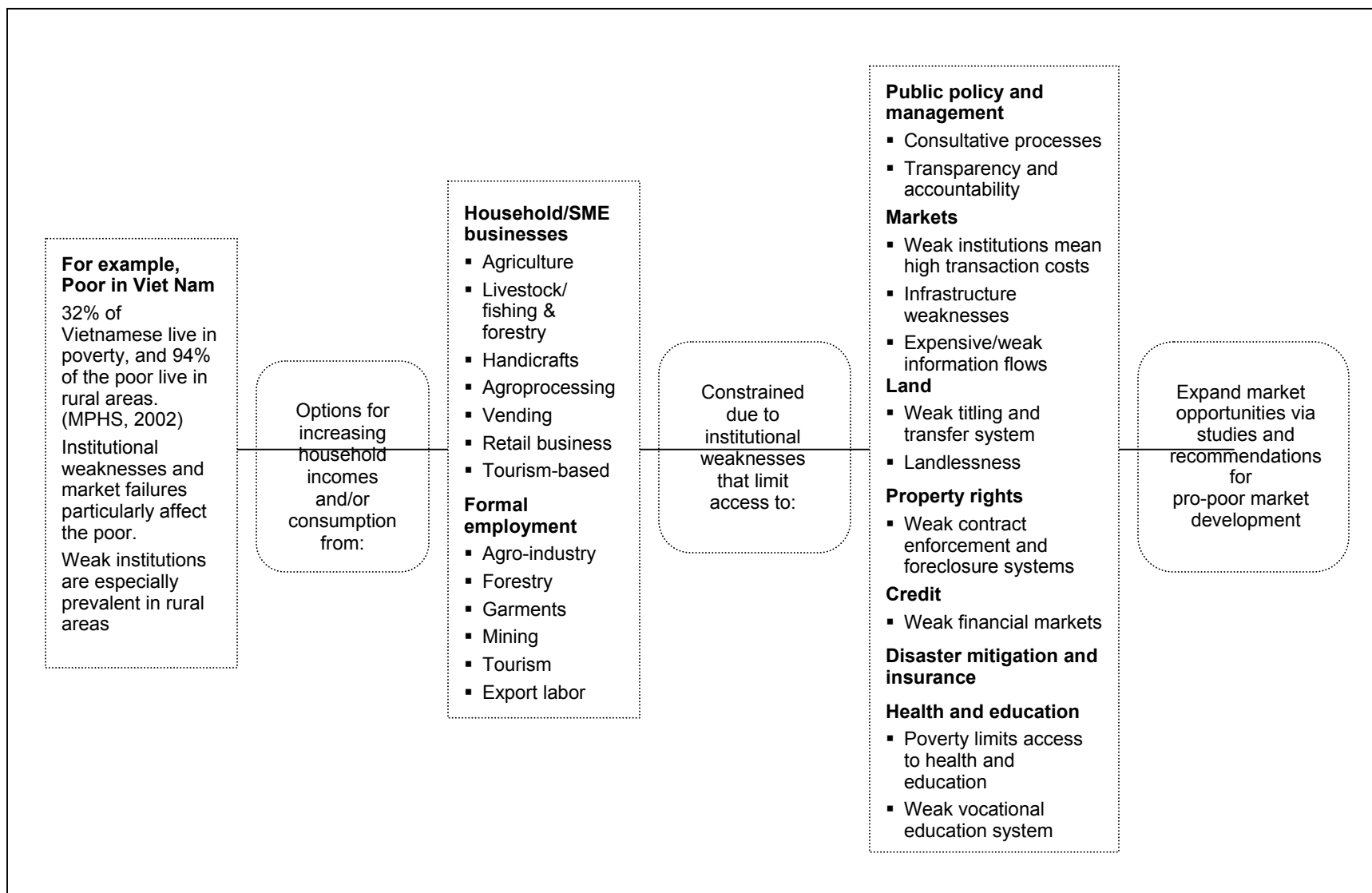
ADB = Asian Development Bank, ADBI = Asian Development Bank Institute, CLV = Cambodia, Lao People's Democratic Republic, and Viet Nam, CPRGS = Comprehensive Poverty Reduction and Growth Strategy.

Narrative Summary	Verifiable Indicators	Means of Verification	Important Assumptions (and risk mitigating measures)
<p>Outputs (continued)</p> <p>(iv) Enhanced policy dialogue between government and other stakeholders</p> <p>(v) Wider dissemination of research findings on making markets work better for the poor</p> <p>(vi) Tabulated and analyzed results of field surveys</p> <p>(vii) Research papers, policy briefs, proposed text of relevant legislation and regulations on the specific markets</p> <p>(viii) Workshops and conference proceedings</p>	<ul style="list-style-type: none"> • Number of persons and institutions involved in dissemination activities • Workshops and other events organized to discuss the findings 		<p>Quality not up to standard (quality assured by peer/expert reviews)</p> <p>Weak dissemination (conferences and media coverage, electronic and printed publications)</p>
<p>Activities</p> <p>(i) Stock taking, consultation, research networking, and selection of topics</p> <p>(ii) Commissioning of research</p> <p>(iii) Research supervision</p> <p>(iv) Annual conferences, workshops, e-discussions</p> <p>(v) Printed and electronic publications. (see Appendix 4 for further details)</p>	<ul style="list-style-type: none"> • Research reports • Conferences/ workshops 	<ul style="list-style-type: none"> • Progress reports • AC minutes • Publications 	<p>Unforeseen bottlenecks (RMs will oversee the overall implementation)</p>
<p>Inputs</p> <p>(i) TA amounting to \$2.0 million from the Government of the United Kingdom, \$200,000 from ADB, and \$200,000 from ADBI (parallel financing)</p> <p>(ii) International and domestic resource persons</p> <p>(iii) International and domestic researchers</p> <p>(iv) Surveys, workshops, and conferences</p>			<p>Delays in implementation (ADB to ensure coordination among cofinanciers and timely implementation of project activities)</p>

AC = advisory committee, ADB = Asian Development Bank, ADBI = Asian Development Bank Institute, RM = resident mission, TA = technical assistance.

OUTLINE ANALYTICAL FRAMEWORK AND INDICATIVE RESEARCH TOPICS

A. Conceptual Framework for Developing Pro-Poor Markets



MPHS = multipurpose household survey; SME = small and medium enterprises.

B. Processes and Activities To Be Supported by the RETA

1. The following are some examples of processes and activities to be supported under the RETA.

- (i) Applied research on pro-poor market development
 - (a) regular consultations with key stakeholders to help identify, and to share information on, measures to make markets work better for the poor;
 - (b) design and implementation of applied research on challenges to make markets work better to increase employment and reduce poverty;
 - (c) design and implementation of applied research in selected provinces to learn from experiences and ongoing constraints to facilitating pro-poor growth; and
 - (d) advice from regionally and internationally renowned researchers and policy makers on the design and analysis of studies to provide an international comparative perspective to this research.

- (ii) Stronger networks and capacity for poverty research and information sharing
 - (a) quarterly roundtable meetings on role of, and experiences with, institutional development in reducing poverty to discuss issues related to the design and implementation of action-oriented poverty research;
 - (b) links developed between the national network and leading regional and international institutes working on poverty reduction;
 - (c) increased access of domestic researchers and policy makers to regional and international findings on links among market institutions, business development, employment generation, and poverty reduction;
 - (d) international workshops on research related to pro-poor development strategies, with internationally renowned experts; and
 - (e) media-ready articles on research on private sector and employment issues, impacts, and success stories.

- (iii) Proactive dialogue on pro-poor market development strategies
 - (a) policy dialogue – facilitated by domestic and international experts – among senior policy makers on issues related to pro-poor market development;
 - (b) publication and dissemination of recommendations resulting from this policy dialogue;
 - (c) dissemination of information on best practices for ensuring that markets work better for the poor, and for promoting business investment in poor areas;
 - (d) regular briefings for local economic journalists, and publication of key messages through the mass media; and
 - (e) support for members of the network in preparing submissions on policy and institutional reforms to accelerate poverty reduction;

- (iv) Dissemination of research findings to policy makers, aid partners, and potential beneficiaries
 - (a) workshops/seminars and conference for dissemination at all levels;
 - (b) publications in hard and electronic copies; and
 - (c) dissemination through media – radio, TV, and Internet.

C. Indicative Research Topics

2. The list of possible topics below is purely indicative, and will be redefined based on the inception phase of the project.

- (i) Improving Poor People's Access to Capital

3. The key issues will be to identify the main barriers to the poor using their assets (mostly labor, land, crops, and livestock) to raise capital for investment. This could include issues related to land tenure and titling, land fragmentation, restrictions on land use, mortgage and foreclosure procedures, labor mobility, credit information, microfinance development, credit guarantee, and group liability for borrowing and other approaches to reducing transaction costs.

- (ii) Rural-Urban Migration, Labor Regulation and Mobility, Retraining/Reskilling, and Poverty Reduction

4. A major focus will be on the implications for poverty of rural-urban migration, migrant workers, and labor mobility. Case studies will be done on districts and/or provinces that have experienced such shifts to assess impacts and identify best practices, including issues such as what reforms could be made to facilitate more pro-poor outcomes. The research will assess the impact of labor regulations and current vocational training on opportunities for poor workers to shift employment from agriculture to industry and services. Case studies will be done on districts and/or provinces that have experienced such shifts to assess the impact on poverty, and to identify best practices.

- (iii) Facilitating Decentralized Investment in Rural Industries and Services

5. The research will examine barriers to decentralized investment in rural industries and services, and undertake case studies of provinces that have been successful, and others that have been less successful, in attracting such investments, including issues such as what were the critical factors, and what can be done to remove barriers.

- (iv) Facilitating Growth in Nonfarm Rural Employment Opportunities

6. The research will identify the main barriers to making the transition from agriculture to household enterprises, and to small and medium enterprises. Case studies will be done on districts and/or provinces to assess poverty impacts and identify best practices, including addressing such issues as what reforms could be made to facilitate more pro-poor outcomes.

- (v) Facilitating Civil and Business Associations in Poor Areas

7. The research will examine the role of civil and business associations, media, and research institutes in addressing poverty concerns, and in representing the interests of the poor

in policy making and public expenditure planning processes. It will identify best practices, including addressing such issues as what can be done to facilitate the contributions of associations to poverty reduction.

(vi) Accelerating Transfer of Knowledge and Information to Increase Productivity and Sales

8. Some of the poor in Viet Nam and elsewhere have rapidly improved productivity and incomes by adopting new knowledge and information and communication technology. The study will address such issues as the key barriers to extending this process and facilitating the rural poor to adopt new technology and knowledge to rapidly increase productivity and incomes.

(vii) Improving Business Policy and Regulatory Reform Processes and Accountability

9. The research will assess the impact of recent business regulation reforms on reducing poverty, especially in rural areas, e.g., in Viet Nam an assessment of the implementation of the Budget Law, Public Administration Reform, and the Enterprise Law. It will assess the implications for future reforms of increasing employment and reducing poverty; assess options and approaches for involving the poor (and relevant media, civil groups, and academics) more directly in policy formulation, administrative reform, and regulatory reform processes; and examine options for requiring formal consultative processes and assessments of the impacts of policy and regulatory reform on the poor.

(viii) Making Economic Integration Work Better for the Poor

10. The research will focus on the implications of economic integration under the Association of South East Asian Nations, United States Bilateral Trade Agreement, and possible World Trade Organization accession on domestic product and factor markets and likely adjustments in these markets and their short- and long-term implications for the poor. It will include rural and household activities such as household enterprises including traditional farming, livestock, and handicrafts; garments/food processing industries; implications for female workers and ethnic minorities; and the protection/preservation of traditional knowledge, culture, and livelihood.

D. Potential Participants/Researchers

11. Participants/researchers will be selected on a competitive basis. Some examples of potential candidates in Viet Nam are the Central Institute for Economic Management; Institute of World Economy; Institute of Finance and Economics; Hanoi Economics University; Ministry of Labor, Invalids and Social Affairs; Viet Nam Chamber of Commerce and Industry; Women's Union; and credit unions. In Cambodia, participants could include the Cambodian Institute for Development Research and Supreme National Economic Council; and in the Lao People's Democratic Republic similar organizations and or individuals as identified by the Lao Resident Mission. In addition, nongovernment organizations and individual academics/researchers in all three countries will be involved as appropriate.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. Asian Development Bank Financing^a	
1. International Resource Persons	
a. Honoraria/Fees	
i. Coordinator (36 person-months)	450,000
ii. Sector Specialists (20 person-months)	300,000
iii. Distinguished Experts (6 person-months)	60,000
b. Travel and Per Diem	195,000
2. Domestic Resource Persons	
a. Honoraria/Fees	
i. Participating Researchers (225 person-months)	450,000
ii. Economists (50 person-months)	100,000
b. Travel and Per Diem	30,000
3. Workshops, Seminars, and Conferences (includes 3 conference trips overseas)	100,000
4. Field Surveys, Data Collection	200,000
5. Printing and Publication	30,000
6. Administrative Support	
a. Administrative Assistants	23,000
b. Interpreters/Translators	24,000
c. Local Transport/Travel	18,000
7. Miscellaneous Communications, Office Equipment, ^b Supplies (includes a website)	30,000
8. Contingency	190,000
Subtotal (A)	2,200,000
B. Asian Development Bank Institute Financing^c	
1. Parallel Financing for Consultants, Workshops, Local Research Funding, etc. for Cambodia and Lao People's Democratic Republic	200,000
Subtotal (B)	200,000
Total	2,400,000

^a \$2 million cofinancing from the Government of the United Kingdom, and \$200,000 equivalent from the Asian Development Bank.

^b Office equipment includes furniture, computers, printers, and photocopiers.

^c Administered by the Asian Development Bank Institute.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE

A. Coordinator (International – 36 person-months)

1. The coordinator will be selected internationally and will be in place for the entire duration of the implementation of the regional technical assistance (RETA) to assist in its day-to-day implementation, covering administrative, organizational, and overall coordination, and technical and research responsibilities. He/she should have postgraduate qualifications in development economics and/or a related discipline and at least 5 years experience in coordinating development research activities, and should be familiar with poverty reduction issues and the socioeconomic situation in Cambodia, Lao People's Democratic Republic (Lao PDR) and Viet Nam. He/she will report to the ADB-designated VRM senior staff member for the RETA and his/her main responsibilities will include, but not be limited to, the following:

- (i) Provide administrative, organizational, and overall coordination for RETA implementation, working closely with designated Asian Development Bank (ADB) staff, and play a major role in making efficient use of the RETA's inputs to achieve its objectives and outputs.
- (ii) Undertake a careful review of existing literature, data, and ongoing studies to identify the relevant markets for the main types of poverty profiles and priorities areas to be further investigated under the RETA as outlined in the RETA paper.
- (iii) Develop detailed work programs, including terms of reference (TOR) for the research projects to be undertaken during each year, in cooperation with ADB staff and the advisory committee to ensure successful implementation and quality control of the research proposals and outputs.
- (iv) Assist in the recruitment of short-term international consultants/resource persons.
- (v) Carry out evaluation of research proposals submitted by participating research institutions/individuals.
- (vi) Oversee the work done by domestic and international experts/researchers, including reviewing and providing useful comments and suggestions on their methodology, work progress, and draft final reports.
- (vii) Organize the annual conferences and assist in the organization of workshops related to the specific research proposals by participating researchers and short-term experts/resource persons.
- (viii) Undertake technical editing of the research papers and bring them to internationally publishable quality, working closely with the panel of distinguished international experts.
- (ix) Prepare policy briefs based on the research findings for dissemination and policy dialogue.
- (x) Prepare, as required, research briefs and administrative reports on the progress of the RETA, satisfactory to ADB.
- (xi) Mobilize existing networks, build new ones, and disseminate knowledge through the RETA website and e-discussion of related issues.
- (xii) Prepare a detailed technical assistance completion report at the end of RETA implementation.
- (xiii) Perform any other related work assigned by ADB.

2. The coordinator will be recruited on an individual basis.

B. Distinguished Experts (International, 6 person-months)

3. The members of the panel of distinguished international experts will ensure the overall technical quality of research papers, including guidance on improving the quality of research outputs. Their specific responsibilities will include the following:

- (i) Provide strategic guidance and advice to the advisory committee on research and capacity-building agenda.
- (ii) Review of the methodology and TOR of the individual studies, as necessary.
- (iii) Review the final draft reports of the individual studies and provide suggestions for their improvement to meet internationally acceptable/publishable standards and to contain high-quality policy recommendations.
- (iv) Participate, as required, in annual conferences to act as discussants; provide guidance on the work program; and participate in policy discussions with the government and local research community, as required.

4. Distinguished international experts will be senior academics with international reputation in their respective fields of development economics and an excellent track record in research publications in internationally refereed journals. They will be recruited as individuals on a retainer basis.

C. Sector Specialists (International, 20 person-months)

5. The sector specialists will be senior academics/experts and will have proven in-depth knowledge and research experience in the particular area under investigation, and preferably familiarity with the situation in Cambodia, Lao PDR, and Viet Nam and/or comparable developing economies. Their responsibilities will include, but will not be limited to, the following:

- (i) Provide intellectual leadership, including conceptual and methodological inputs and international good practices, to the research project.
- (ii) Assist the participating research institutes/individuals by providing technical and intellectual inputs in refining and detailing the research methodologies and related activities, including overall research methodology, the type of primary data to be collected, and their processing.
- (iii) Oversee the work of participating research institutes and individuals, including long distance supervision by e-mail, telephone/facsimile, or video conferencing.
- (iv) Participating in the inception, midterm, and final workshops, as necessary.
- (v) Review work in progress and draft reports, and provide recommendations for their improvement in overall quality and policy recommendations.
- (vi) Assist in preparing final research papers, including technical editing to improve the quality of the research reports.
- (vii) Introduce research networks, and assist in conducting e-discussion of related issues.
- (viii) Perform any other related work as assigned by ADB.

6. The sector specialists will be recruited as individual resource persons on a retainer basis.

D. Participating Researchers (Domestic Institutions and Individuals - 225 person-months)

7. Based on TOR defined jointly by ADB staff and the coordinator in consultation with the advisory committee, participating domestic research institutions/individuals will submit proposals that will include proposed methodology, time frame and detailed schedule, estimated cost, expected results, research collaboration/networking, and biodata of researchers who would be involved in the implementation of the specific project.

8. Participating research institutions/individual researchers will be selected on an individual basis following the above criteria.

9. The selected research institution/individual will be expected to work in cooperation with the designated international sector specialists to implement the research project, including collection of primary data where necessary; present the results at workshops and conferences as necessary; and submit the final research report on the subject in both English and the local language to ADB. The report should be of acceptable quality to ADB.

10. Participating researchers (on a selected basis) will also be given the opportunity to present their work-in-progress or research findings at international conferences abroad.

E. Economists (50 person-months)

11. The economists (domestic) will be engaged in Viet Nam. They should have a university degree in economics; have excellent written and spoken English; be well versed in development policy issues in Viet Nam; and have experience in undertaking applied research, including survey design, data processing, and econometric analysis. They will work closely with the coordinator and designated ADB staff by providing assistance in coordinating and undertaking research activities under the RETA. Their main responsibilities will include, but not limited to, the following:

- (i) Assist the coordinator in the coordination and undertaking of research activities under the RETA.
- (ii) Assist in the development of TOR for the research projects to be undertaken during each year, in cooperation with ADB staff and the advisory committee.
- (iii) Assist in the evaluation of research proposals submitted by research institutions/individuals.
- (iv) Assist in the preparation, editing, and publication of research reports, and workshop and conference proceedings (in both English and local language).
- (v) Assist in the design and conduct of research workshops, seminars, and conferences.
- (vi) Assist in liaising with local and regional institutions and resource persons, and in developing a research network.
- (vii) Undertake/oversee translation of research papers and policy briefs into Vietnamese and ensure technical accuracy.
- (viii) Assist in e-dissemination and e-discussions on topical issues related to the RETA.
- (ix) Perform any other related work assigned by ADB.

F. Advisory Committee

12. VRM will establish an advisory committee (AC) in consultation with the country directors for Cambodia and Lao PDR, as described in text para. 15. Its members will comprise the ADB country directors for Cambodia, Lao PDR, and Viet Nam, ADB staff selected from the knowledge departments and sector divisions as appropriate, a Department for International Development representative, an Asian Development Bank Institute representative, and selected resource persons. The main task of the AC will be to provide strategic advice and guidance to the RETA implementation and to achieve the intended goal, purpose, and outputs of the RETA (see Appendix 1).

G. Indicative RETA Implementation Schedule

13. The RETA will commence in July 2003 and will be completed by December 2006. It is envisaged that there will be six batches of research commissioning during the implementation period. Certain activities like research networking and dissemination will be run on a continuous basis. Further details on RETA activities and indicative schedule are shown in Table A4.

Table A4: RETA Implementation Schedule

RETA Activities\Schedule	Q3 2003	Q4 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006
A. RETA commencement:														
Preparatory work	█													
Project coordinator recruitment	█													
Logistics	█													
First AC meeting	█													
B. Identification of research topics:														
Consultation with local counterparts, incl. governments and donors	█		█		█		█		█		█			
Stocktaking of ongoing work	█		█		█		█		█		█			
Identification of topics/themes	█		█		█		█		█		█			
Research networking	█	█	█	█	█	█	█	█	█	█	█	█	█	█
C. Selection of research topics:														
Preparation of shortlist	█		█		█		█		█		█			
AC meeting	█		█		█		█		█		█			
Finalization of topics - first batch	█		█		█		█		█		█			
D. Selection of international specialists:														
Sector specialists	█		█		█		█		█		█			
Distinguished experts	█		█		█		█		█		█			
E. Selection of domestic researchers:														
Invitation for research proposals	█		█		█		█		█		█			
Processing of proposals	█		█		█		█		█		█			
Selection of proposals	█		█		█		█		█		█			
Commissioning of research contracts	█		█		█		█		█		█			
F. Implementation of research work:														
Finalization of research methodology	█	█		█		█		█		█		█		
Field work and data collection	█	█		█		█		█		█		█		
Data processing and analysis					█		█		█		█		█	
Draft research report					█		█		█		█		█	
Workshops for discussion on findings		█		█		█		█		█		█		
Final research report		█		█		█		█		█		█		
G. Dissemination of research work:														
Conference			█		█		█		█		█		█	
Seminars (in CLV)			█		█		█		█		█		█	
Video conference			█		█		█		█		█		█	
Website publications			█	█	█	█	█	█	█	█	█	█	█	█
Printed publications			█	█	█	█	█	█	█	█	█	█	█	█

AC = advisory committee, CLV = Cambodia, Lao PDR, and Viet Nam.