

## TERMS OF REFERENCE FOR CONSULTANTS

1. The TA will engage one consulting firm, three international individual consultants and one national individual consultant. A total eight person-months of consulting inputs will be allocated to a consulting firm, which will be hired through quality- and cost-based selection (90:10), using biodata technical proposal. The contract package is estimated to cost \$242,376 and will be an output-based, lump sum contract with milestone payments. A total eight person-months of consulting inputs will be allocated to three international individual consultants, and 30 person-months of consulting inputs will be allocated to one national individual consultant. Three international individual contracts are estimated to cost \$241,176 and the national individual contract is estimated at \$170,660. Individual consultants will be recruited using Individual Consultant Selection. All individual consultant contracts will be input-based contracts with liquidation of advance.

### A. Consulting Firm

#### 1. Investment Policy Consulting Firm (International Consulting Firm – Eight person-months)

2. **Background.** As part of the efforts to create an enabling business environment, the Government of Myanmar recently enacted the new Myanmar Investment Law which merged the two investment laws – Foreign Investment Law and the Myanmar Citizen Investment Law – into one. The new law was designed to stimulate and streamline both domestic and foreign investment process, increase investor protections, diversify the economy and ultimately create jobs. Changes to the previous investment laws include a new approval process with the Myanmar Investment Commission (MIC), updates to the distribution and length of various tax incentives, and further easing of foreign access to land leases. For the next step, the government will need to implement the new law to ensure the full benefits to the business and investment community.

3. **Objective.** At the request of the Directorate of Investment and Company Administration (DICA) of the Ministry of Planning and Finance (MOPF), the Asian Development Bank (ADB) will support the implementation of the Myanmar Investment Law, specifically the decentralization of investment approval process to the regional MIC offices. ADB is looking to recruit a consulting firm for this assignment. The firm will provide a core team consisting of (i) an economist to produce a report on decentralization experience of other regional countries, (ii) an investment policy expert to act as team leader and to design and launch at least two (2) regional MIC offices, and (iii) a trainer to develop and deliver training programs for regional MIC staff. The contract will be an output-based, lump sum contract with milestone payments.

4. **Scope of services.** The firm will work closely with the MIC to produce an action plan to decentralize the investment approval process, including the establishment of regional MIC offices. The firm will establish an evaluation and approval framework for applications, and will develop and launch a delegated approval function in at least two regional MIC offices. The process should be risk-based in that the framework should distinguish between which types of investment should go directly to central MIC and which types can go through provincial MICs. In addition, the firm will provide training to headquarter and regional staff to ensure consistency of application. Specific tasks for individual experts as follows:

#### a. Investment policy expert – Team leader (International Expert – Four person-months):

- (i) work closely with central MIC and DICA to design the regional offices, including an organization chart, a staffing plan, a strategic plan, budgeting, a coordination

- mechanism, investment approval standards, procedures and processes, and training programs for staff of regional MIC;
- (ii) work with central MIC and DICA to launch two regional MIC offices;
  - (iii) manage and oversee the all activities related to decentralization of investment approval process, including managing other team members under the project and providing monthly monitoring and reporting of progress; and
  - (iv) assist central MIC and DICA with advocacy, awareness raising campaigns, attend meetings with MIC and DICA management and public stakeholders, as requested.
- b. **Investment Economist** (International Expert – One person-month):
- (i) provide case studies of other regional countries that went through a similar process of decentralization of investment decision making and provide lessons learnt and recommendations to central MIC and DICA management on how to successfully implement the decentralization of investment approval process;
  - (ii) work closely with team leader to conduct a needs assessment for the regional MICs. The needs assessment should cover at the minimal personnel and financial resources of MICs; and
  - (iii) support central MIC, DICA and team leader to develop a strategic plan, approval standards, a multi-agency coordination mechanism and capacity training programs for staff, based on lessons learned from international case studies of other regional countries.
- c. **Training expert** (International Expert – Three person-months):
- (i) assist investment policy expert to develop capacity training programs for staff of regional MICs;
  - (ii) provide capacity training for staff of regional MICs on investment approval decision making;
  - (iii) coordinate with central MIC on capacity training programs to ensure consistency between the central and local level;
  - (iv) organize seminars and workshops to build capacity for staff of both central and regional MICs;
  - (v) provide recommendations to DICA management on staff rotation and capacity building at both central and local MICs; and
  - (vi) provide briefings and reports to management of DICA, central MIC, regional MICs on the progress of staff.

## 5. Deliverables:

Milestone & Indicative Timeline	Outputs	Delivered by	Approval
<b>Milestone 1</b> (by end Q2 2018)	A final report on case studies of other regional countries that went through a similar process of decentralization of investment decision-making, including lessons learned and recommendations	Investment Economist	ADB and DICA
<b>Milestone 2</b> (by end Q2 2018)	A needs assessment of regional MIC offices	Investment policy expert – Team leader & Training expert	ADB and DICA

Milestone & Indicative Timeline	Outputs	Delivered by	Approval
<b>Milestone 3</b> (by end Q4 2018)	A final report detailing the action plan and roadmap to operationalize two regional MIC offices. This should include at the minimum: (i) an organizational chart, (ii) a staffing plan, (iii) multi-agency coordination mechanism, (iv) investment approval standards, procedures and processes, and (v) training programs for staff of regional MIC offices	Investment policy expert – Team leader	ADB and DICA
<b>Milestone 4</b> (by end Q1 2020)	Completion of four (4) seminars and workshops for staff of the central and regional MICs on how to assess and evaluate investment proposals	Training expert	MIC offices and DICA
<b>Milestone 5</b> (by end Q1 2020)	A final assessment of the training program for staff of the central and regional MICs, including their capacity, strengths and weaknesses, any observations, lessons learnt from the training programs and recommendations to improve the capacity of MIC offices in the future.	Investment policy expert – Team leader & Training expert	ADB and DICA

6. **Qualifications.** The firm should have significant experience in Southeast Asia working with trade and investment projects. Experience in Myanmar is considered a distinct advantage. The investment experts should have advanced degrees in a related field such as investment and economics and significant experience with trade treaties and foreign direct investment within Southeast Asia. Each team member should have a minimum 15 years of experience in investment, trade or related fields. The international team leader should have an advanced degree in a related field and significant experience in policy advisory roles and familiarity with the review, approval and administration of investments within Southeast Asia. The economist should have an advanced degree in international trade or industrial economics. The training expert should have an advanced degree in a related field and significant exposure working within investment departments in a supervisory or training capacity.

## B. International Individual Consultants

2. **Internal Audit Expert (Taxation)** (International Individual Consultant – Three person-months)

7. **Background and Objective.** The government of Myanmar is undertaking comprehensive reforms to modernize its tax administration which is often perceived as one of the key impediments to business sector in Myanmar. The objective of this assignment is to support IRD of MOPF to enhance the transparency, integrity, and public perception of the tax administration. The assignment will support IRD to develop an internal audit function to ensure integrity and zero tolerance towards corruption within the new tax administration. The duration of this assignment will be a total three person-months, on an intermittent basis.

8. **The expert will perform the following tasks:**

- (i) work closely with IRD to develop an internal audit function within IRD. This includes a needs assessment of IAD, an organization chart, a staffing plan, internal audit programs, procedures and processes, and training modules for IAD staff;
- (ii) work closely with IAD staff to prepare policy briefs to management of IRD and MOPF, develop standardized audit reports, and assist IAD management in meetings; and
- (iii) provide capacity training for IAD staff to conduct independent internal audit function, and produce high quality internal audit reports.

9. **Deliverables:**

- (i) a final report covering: (i) needs assessment of IAD, (ii) international best practices, (iii) proposed organization chart and staffing plan, (iii) internal audit programs, procedures and processes, and (iv) training program and modules;
- (ii) any policy briefs, written questions and answers, and standardized internal audit reports;
- (iii) at least two seminars and workshops for IAD and IRD staff on the role and functions of IAD and how to conduct internal audit; and
- (iv) a final assessment of the training program for IAD staff, including their capacity, strengths and weaknesses, any observations and lessons learnt from the training programs, and recommendations to improve capacity of IAD and IRD after the completion of the training program.

10. **Qualifications.** The expert should have at least a master's degree in economics or accounting and at least 15 years of experience in internal audit, of which 5 years was in a tax authority. Professional qualification in internal audit is highly desirable. The expert should also have experience in policy advisory functions with governments in developed and developing countries. Experts with both English and Myanmar language skills and/or regional experience are highly recommended.

**3. Tax Data Expert** (International Individual Consultant – Two person-months)

11. **Background and Objective.** With the establishment of the Large Taxpayer Office, tax collection in Myanmar has improved significantly. Moreover, IRD and tax offices have been collecting a large amount of data in the recent years which can be used to further refine and strengthen the tax collection effort. However, IRD's ability to analyze data for decision making is limited. The objective of this assignment is to develop a data analytics function within IRD to ensure the decision making process is fact-based, measurable and easily-evaluated. The duration of this consultancy will be a total of two person-months on an intermittent basis.

12. **The expert will perform the following tasks:**

- (ii) work closely with IRD and tax offices to take stock of all tax data collected and identify data gaps and redundancies compared to international standards;
- (iii) develop a training program and provide capacity training to IRD staff on general tax knowledge and basic data and statistics skills;
- (iv) work closely with Information Technology (IT) department to improve the tax database to make sure IRD staff can easily access and use the database for analysis;
- (v) assist staff to analyze collected tax data and to develop and produce regular reports which provide actionable inputs to the tax collection process; and
- (vi) assist IRD management in meetings as needed.

13. **Deliverables:**

- (i) a final report covering: (i) a comprehensive list of all tax data collected, gaps and redundancies compared to international standards, and how the data can be used to analyze taxpayers' behaviors and patterns etc., and (ii) a training program for IRD staff on tax data analysis;
- (ii) any policy briefs, written questions and answers, and at least two (2) sample reports using actual tax data collected;
- (iii) at least three seminars and workshops for IRD staff on general tax knowledge, and basic statistics skills;
- (iv) a final assessment of the training program for IRD staff, including their capacity, strengths and weaknesses, any observations, lessons learnt from the training programs and recommendations to improve capacity of IRD after the training program.

14. **Qualifications.** The expert should have at least a master's degree, preferably in economics, statistics, accounting, commerce or related field, and at least 15 years of experience in tax administration. Experience in working with other regional countries with limited data and basic infrastructure is preferable. Experts with both English and Myanmar language skills will be given preference.

4. **Microfinance Specialist** (International Individual Consultant – Three person-months)

15. **Background and Objective.** Developing the microfinance sector in Myanmar represents a strategic thrust to increase business access to financial services, given the current business landscape. The objective of this engagement is to support Myanmar's microfinance sector by strengthening the supervisory and regulatory functions of Financial Regulation Department (FRD). The duration of this consultancy will be a total of three person-months on an intermittent basis.

16. **The expert will perform the following tasks:**

- (i) conduct a training needs assessment for FRD staff and develop a comprehensive training program for all supervisor staff covering financial analysis, delinquent loan analysis, financial products and services, market conduct supervision, and peer analysis;
- (ii) review the on-site supervision process and conduct joint inspections with FRD staff;
- (iii) develop and implement a risk-based examination schedule;
- (iv) develop expansive and simplified prudential reporting forms for FRD;
- (v) support FRD to revise its regulations to allow for growth of MFIs;
- (vi) analyze potential management information system solutions for MFIs and FRD; and
- (vii) support FRD to roll out the national financial literacy strategy.

17. **Deliverables:**

- (i) a training needs assessment for FRD staff;
- (ii) a comprehensive training program for FRD staff and all training material;
- (iii) a report on risk-based examination schedule;
- (iv) all prudential reporting forms for FRD;
- (v) a policy paper supporting FRD's ongoing regulatory reform process;

- (vi) at least two training workshops for FRD staff on market conduct, on-site and off-site supervision; and
- (vii) a policy brief detailing potential solutions for MFIs and FRD to automate their processes.

18. **Qualifications.** The expert should have at least a master's degree in finance or economics and at least 15 years of experience in microfinance. Experience in working with government in the region is preferable. Experts with both English and Myanmar language skills will be given preference.

### C. National Individual Consultants

#### 5. National Project Coordinator (National Individual Consultant– 30 person-months)

19. **Background and objective.** ADB is supporting the government of Myanmar to create an enabling business environment. The objective of this engagement is to provide project coordination, research assistance, and administrative support to project team and international experts in all activities under the Myanmar Technical Assistance 50173 – Support for Strengthening Business Climate.

#### 20. The project coordinator will perform the following tasks:

- (i) work closely with resident mission staff to organize meetings, training workshops and events, liaise with government counterparts and different stakeholders, arrange travel and logistics for missions of international consultants and ADB project team;
- (ii) coordinate with project team and consultants to make sure each assignment and the overall project are on track for delivery;
- (iii) assist project analyst to monitor TA budget, consultants' claims, and purchase of office equipment;
- (iv) provide administrative support to ADB project team and consultants including visa arrangements, hotel and transportation bookings;
- (v) accompany missions to meetings and provide interpretation service (if needed);
- (vi) translate any reports, briefs, and other important material for consultants, ADB project team and government counterparts; and
- (vii) assist international consultants and project team in relevant research.

#### 21. Deliverables:

- (i) minutes of all meetings between project team, consultants and government counterparts;
- (ii) any reports, briefs, important material and translated material to support project team and consultants;
- (iii) monthly project management updates; and
- (iv) any relevant research.

22. **Qualifications.** The national project coordinator should have at least a bachelor's degree in a related field, exposure to government operations in Myanmar and be fluent in both English and Myanmar language.