

TERMS OF REFERENCE FOR CONSULTANTS

1. The Asian Development Bank (ADB) funded regional knowledge and support technical assistance (TA) will help generate knowledge and strengthen capacities for designing, negotiating, implementing, and monitoring free trade agreements (FTAs) involving the Central Asia Regional Economic Cooperation (CAREC) countries. To implement the TA, an estimated total of 34 person-months of international consulting inputs, including resource persons; and 26 person-months of national consulting inputs, including a TA coordinator will be required to provide technical services to realize the objectives.

2. The consultants will be engaged following the ADB Procurement Policy (2017, as amended from time to time) and its associated procurement staff instructions. The number of person-months is indicative and for planning purposes. The consultants will report to, and be supervised by, the ADB task manager(s) for the project, who will also be responsible for overall coordination of TA activities. Consultants will work in consultation with ADB's joint team from East Asia Public Management, Financial Sector and Regional Cooperation Division (EAPF) and Economics and Research Department's Regional Cooperation and Integration Division (ERCI). The technical expertise and international and national consultant inputs are outlined in the table.

Table: Summary of Key Deliverables and Consulting Service Requirements

Major Deliverables (as per TA DMF)	Consultants Expertise	International inputs (PM)	National inputs (PM)
A. Firm			
1a. Comprehensive analysis of the state-of-play of FTAs involving CAREC countries with policy recommendations	A.1. FTA Expert/Trade Economist	8	4
1b. CAREC FTA guidelines on the FTA design, negotiation, implementation and monitoring 1d. At least 3 country specific action plans to improve the institutions, capacity, and practices in participating and implementing FTAs	A.2. Trade Economist		2
1c. At least four [4] thematic assessments on key issues facing FTAs in CAREC, such as trade on goods and services, investment, e-commerce, and competition policy	A.3. FTA Expert/Trade Economist	6	2
2a. FTA knowledge and capacity needs assessments in CAREC countries	A.4. Trade and Investment/Capacity Building Expert	5	
2b-d. Six [6] national workshops in select CAREC countries; a regional event to share FTA lessons and best practices; a regional training of trainers on how to design, negotiate, and implement FTAs	A.5. Trade Economist/Capacity Development Specialist	2	
2e. Targeted capacity development activities on FTAs in at least four [4] countries			
3a. Feasibility and desirability for a CAREC FTA assessment 3c. Roadmap and action plan for establishing a CAREC FTA	A.6. CAREC Regional FTA Expert	5	
3b. [Initial] global computable general equilibrium (GCGE) model-based study on the economic impacts of a CAREC FTA	A.7. The GCGE Model Expert	2	
Total under FIRM		28	8

Major Deliverables (as per TA DMF)	Consultants Expertise	International inputs (PM)	National inputs (PM)
B. Individual consultants			
TA Management and Coordination	B.1. TA Coordinator		18
Analytical inputs and/or deliver presentations	B.2.Resource Persons	6	
TOTAL:		34	26

CAREC = Central Asia Regional Economic Cooperation, FTA = free trade agreement, GCGE = global computable general equilibrium, TA = technical assistance.

Source: Asian Development Bank.

A. FIRM OF CONSULTANTS (TOTAL INPUTS OF INTERNATIONAL, 28 PERSON-MONTHS; NATIONAL, 8 PERSON-MONTHS):

3. A total of 28 person-months of international consultants and 8 person-months of national consultants inputs will be required. The team of consultants (the consulting firm) will conduct analytical and capacity development activities to produce a comprehensive analysis, FTA guidelines and various thematic assessments that will feed into development of action plans for CAREC, and a CAREC-wide FTA roadmap. A comprehensive analysis of the state-of-play of FTAs involving CAREC countries will describe the theoretical foundations for FTAs, provide an overview of FTAs involving CAREC countries, assess and summarize the evidence on their impacts, and make policy recommendations. A CAREC FTA guidelines will draw on lessons from within the CAREC region and beyond and identify the best practices in designing, negotiating, implementing, and monitoring FTAs which will be compiled in the CAREC FTA Best Practice Manual. These will feed into the training, targeted capacity-building and handholding activities, including training of trainers, national and regional training workshops, virtual online modules, training of trainers, or live clinics under the TA. The consultant team will support knowledge sharing and institutional capacity building, focusing on targeted handholding activities for the crucial skill sets and technical knowledge.

A.1. FREE TRADE AGREEMENT EXPERT/TRADE ECONOMIST (INTERNATIONAL, 8 PERSON-MONTHS; NATIONAL, 4 PERSON-MONTHS)

4. The consultants will be experts in designing and administering needs assessment and will have strong statistical background in data processing and analysis. The consultants will have substantial knowledge of the country's trade policies and procedures. The following deliverables are expected under this assignment, including: (i) a comprehensive analysis of the state-of-play of FTAs involving CAREC countries with policy recommendations; (ii) CAREC FTA guidelines on the design, negotiation, implementation and monitoring of FTAs; and (iii) country specific action plans to improve the institutions, capacity, and practices in participating and implementing FTAs.

5. The consultants will have at least 10 years of relevant experience in conducting research and analysis of global and regional trade, adept with recent economic developments and issues particularly in CAREC countries, at least a master's degree in trade, economics, finance, law, or a related field, and fluent in English. The consultants will design a country-level online survey that accounts for the macro- and micro-level benefits and costs of the country's FTAs, based on which:

- (i) prepare a policy-oriented CAREC FTA comprehensive analysis of the state-of-play of FTAs involving CAREC countries with the following components:

- a) background information on the economic and political situation of the CAREC participating countries, as well as their international trade policies, particularly strategies on FTAs;
 - b) features of each country's FTA negotiating process;
 - c) assessment of the background and history of FTA negotiations between CAREC countries; economic models on which the agreement was based; and the motivations/factors that led to the formation of the FTA;
 - d) evaluation of the agreement and the distinguishing features of the FTA relative to other agreements of each country;
 - e) quantitative and qualitative assessments of potential gains for each country from the FTA;
 - f) lessons learned and policy implications.
- (ii) prepare an evidence-based FTA guidelines summarizing lessons and best practices on the design, negotiation, implementation, and monitoring of FTAs, and assessment of knowledge and capacity constraints in CAREC countries in these areas;
 - (iii) prepare [at least three] FTA-related action plans, based on the findings and recommendations from the CAREC FTA guidelines, needs assessments and analytical reports;
 - (iv) attend the inception workshop to discuss the more detailed terms of reference and to plan the work, a workshop to review draft analytical reports, and a regional event to present the final outputs of the study; and
 - (v) undertake other tasks as required by the assignment.

A.2. TRADE ECONOMIST (NATIONAL, 2 PERSON-MONTHS)

6. The consultant/s will conduct the Case Studies on FTA Design, Negotiations, Monitoring and multilateral [CAREC regional] FTA involving CAREC countries and summarize the research findings and recommendations to be disseminated at a CAREC-wide regional workshop/s. The consultants will have at least 10 years of relevant experience in conducting research and analysis of global and regional trade, adept with recent economic developments and issues particularly in CAREC countries, at least a master's degree in trade, economics, finance, law, or a related field, and fluent in English. The national consultant shall be fluent in Russian and/or Chinese language (as appropriate). Demonstrated experience in conducting and managing capacity building for developing countries, particularly among CAREC countries is preferred.

7. The consultant will support the consultant's inputs under A1-4 and will:
- (i) analyze trade-related data, published works and available online resources and propose a mechanism for improved information exchange among trade agencies, dissemination to the general public, and monitoring of FTA and trade performance of CAREC countries;
 - (ii) provide technical assistance to Regional Trade Group, other sectoral bodies of CAREC, and as needed national committees on trade facilitation of CAREC countries, to support effective and efficient discussions on FTA and trade issues and priorities for implementing the CITA 2030;
 - (iii) prepare written reports and presentations on identified trade-related topic, as may be determined to support the TA's implementation;
 - (iv) participate and provide support in capacity-building activities as trainings and seminars; and
 - (v) conduct other tasks related to TA implementation that the ADB project team may reasonably request.

A.3. FTA EXPERT/TRADE ECONOMIST FOR THEMATIC ASSESSMENTS ON FTA (INTERNATIONAL, 6 PERSON-MONTHS; NATIONAL, 2 PERSON-MONTHS)

8. The consultant/s will closely work with and support the consultant's inputs under A1-2 above to produce at least four [4] thematic assessments that will feed into development of action plans for CAREC members and covering special topics identified based on the country consultations with the CAREC countries with evidence-based targeted policy recommendations generated. These topics include, but not limited to, trade in goods and services, investment, economic and technical cooperation, intellectual property rights and competition policy.

9. The consultant/s will have at least 10 years of relevant experience in conducting research and analysis of global and regional trade, adept with recent economic developments and issues particularly in CAREC countries, at least a master's degree in trade, economics, finance, law, or a related field, and fluent in English. The consultant/s will:

- (i) prepare a policy research paper that analyzes the economic effects of the spread of FTAs;
- (ii) draft background information, as required, for the preparation of the manual on best practices on the CAREC FTAs using the findings of the study;
- (iii) attend the inception and relevant technical workshops to discuss the more detailed terms of reference and to plan the work, a workshop to review draft papers, and a conference to present the final outputs of the study; and
- (iv) undertake other tasks as required by the assignment.

A.4. TRADE AND INVESTMENT/CAPACITY BUILDING EXPERT (INTERNATIONAL, 5 PERSON-MONTHS)

10. The consultant/s will have extensive experience in knowledge and capacity needs assessments, designing and producing a training manual specifically for trade negotiators in CAREC developing member countries (DMCs), delivering national workshops and training of trainers on how to design, negotiate, and implement FTAs, and targeted capacity development activities on FTAs. The consultants will have expertise in international trade policies, regional economic cooperation, and trade negotiations, as well as substantial knowledge of the bilateral or subregional FTA. The consultant/s will undertake the FTA knowledge and capacity needs assessments in CAREC countries and will:

- (i) prepare a high-quality, publishable best practice manual on designing and negotiating FTAs with the following components:
 - a) review of best practice principles on FTA design;
 - b) assessment of effective FTAs in Asia that embody WTO-compatible norms;
 - c) overview of multilateral rules for FTAs, particularly on trade in goods, trade in services, rules of origin, government procurement;
 - d) overview of sensitive issues in trade negotiations that are relevant for CAREC DMCs, such as competition policy, public procurement;
 - e) basic technical requirements for FTA negotiators (analytical skills, knowledge of international trade policies);
 - f) discussion of the negotiating process and guidelines for negotiators (strategies, tactics);
 - g) pointers for drafting an agreement, including designing new style FTAs, model rules of origin; and
 - h) important sources of information on trade, FTAs, and negotiations;
- (ii) use the findings from the CAREC analytical reports to draw on lessons from within the CAREC region and beyond and identify the best practices in designing, negotiating,

- implementing, and monitoring FTAs, that will feed into the training and capacity-building under the TA, the case studies on FTA negotiations, examples from CAREC country experience to illustrate key principles and concepts, and the model-based study on economic effects of FTAs provided by other consultants in the project, as necessary;
- (iii) facilitate the inception workshop to discuss the more detailed terms of reference and to plan the work, a workshop to review draft papers and to present the final outputs of the study;
 - (iv) explore effective modes of delivery (virtual modules, training of trainers, or live clinics); and
 - (v) undertake other tasks as required by the assignment.

A.5. TRADE ECONOMIST/CAPACITY DEVELOPMENT SPECIALIST (INTERNATIONAL, 2 PERSON-MONTHS)

11. For each scenario, the study will shed light on their economic welfare, sector-level implications, and distribution effects, to the extent possible. The results will point to policy options that could enhance trade and investment integration in the CAREC region.

12. The consultant/s will provide technical and analytical support to the Trade and Investment, CAREC FTA Experts and Trade Economists to provide institutional and capacity development support, conduct needs assessment of the knowledge and skills gaps and constraints, and develop and deliver the training and capacity development workshops

13. The consultant will:

- (i) assess the capacity of trade institutions in CAREC to better coordinate sectoral policies and priorities and of government officials for evidence-based policy- and decision-making, negotiate FTA and trade related agreements and conduct stakeholders participation in FTAs;
- (ii) identify FTA capacity-building needs and knowledge gaps, and support the design of CAREC FTA best practice manual and relevant training activities taking into consideration international best practices and good experience from within the CAREC region and beyond;
- (iii) deliver [in collaboration with other experts and resource persons] the national, regional workshops, training of trainers and knowledge sharing events under the TA; and
- (iv) conduct other tasks related to TA implementation that the project team may reasonably request.

A.6. CAREC REGIONAL FTA EXPERT (INTERNATIONAL, 5 PERSON-MONTHS)

14. The consultant/s, jointly the FTA experts and TA international trade economists' inputs, will produce a CAREC FTA assessment, analyzing the feasibility and desirability of a CAREC-wide FTA and the necessary institutional arrangements to implement it. CAREC region-wide FTA roadmap should assess and describe (i) clear economic benefits; (ii) increased market access to goods, services, skills, and technology; (iii) increased market size, permitting specialization and greater economies of scale; (iv) facilitated foreign direct investment and technology transfer, simplified tariff schedules as well as rules and standards. The expected deliverables include: (i) a study to explore feasibility and desirability for a CAREC FTA assessment; (ii) a roadmap and action plan for establishing a CAREC FTA.

15. The consultant will have at least a master's degree in international trade, economics or a related field, a minimum relevant experience of 15 years extensive experience in economic analysis, international finance, law, and investment promotion, and fluent in English. Demonstrated expertise and experience in international trade (focusing on FTA) and investment; regional cooperation; cross-border trade and investment facilitation and investment policies in CAREC countries are desirable. The consultant will:

- (i) conduct a review of the literature including relevant publications of ADB and other development partners on FTA, RCI, trade and investment policies and identify the challenges and constraints, particularly on regional FTA involving CAREC countries;
- (ii) undertake a mapping of priority areas and sectors within CAREC countries with potential to increase trade and investments and make recommendations at the national and regional level such as to formulate and facilitate CAREC regional FTA;
- (iii) undertake policy-level consultations with the selected CAREC countries which expressed interest in pursuing CAREC regional FTA and develop a case study of trade and foreign direct investment policies and trade and investment facilitation measures as may be determined;
- (iv) propose the required institutional and legal arrangements for potential CAREC FTA, based on the country consultations;
- (v) provide capacity-building in terms of awareness workshops and seminars as required; and
- (vi) conduct other tasks related to TA implementation that the project team may reasonably request.

A.7. THE GLOBAL COMPUTABLE GENERAL EQUILIBRIUM MODEL EXPERT (INTERNATIONAL, 2 PERSON-MONTHS)

16. An international trade economist will be engaged to prepare a model-based study on the economic effects of FTAs in the CAREC context and will support the consultant's inputs under A1. The major deliverables under this assignment will be to produce an [initial] global computable general equilibrium model (GCGE)-based study on the economic impacts of a CAREC FTA. The consultants will have at least 10 years of relevant experience in conducting research and analysis of global and regional trade, adept with recent economic developments and issues particularly in CAREC countries, at least a master's degree in trade, economics, or a related field, and fluent in English.

17. The consultant will have a relevant university degree in organization, public administration, governance and management; at least 10 years of work experience providing institutional capacity building in Asia-Pacific region, and fluent in English. The consultant will have substantial experience in trade and investment policies in Asia (especially Central, East and South Asia), as well as expertise in the application of GCGE model. The consultant will be an expert in the applications of GCGE model and will have substantial experience in trade and investment policies in Asia. The GCGE model-based analysis is useful for simulating the economic effects of the spread of FTAs in Central Asia using a consistent framework. This study will analyze alternative scenarios, including

- (i) the existing pattern of FTAs in Central Asia, encompassing a series of bilateral agreements and trading blocs;
- (ii) the consolidation of some agreements into larger regional and/or subregional agreements; and (iii) the eventual creation of a possible CAREC-wide FTA covering all or selected CAREC economies.

B. INDIVIDUAL CONSULTANTS:

B.1. TA COORDINATOR/PROGRAM MANAGER (NATIONAL, 18 PERSON-MONTHS)

18. The consultant will have a relevant university degree in public administration, business, economics or related field, relevant program or project management experience in ADB or other multilateral development bank-funded TAs in Central, East, and South Asia region, and fluent in English. Experience or knowledge in CAREC program and CAREC countries is desirable.

19. The consultant is expected to support the timely and efficient TA implementation and will:

- (i) assist in coordinating TA activities to ensure that the TA objectives are met;
- (ii) facilitate communication between consultants, participating governments, and ADB;
- (iii) monitor the progress of the TA as per the design and monitoring framework and recommend measures to meet required outputs, including the consultant deliverables, as necessary;
- (iv) organize regional workshops, seminars and consultation meetings including logistical arrangements; and
- (v) conduct other tasks related to TA implementation that the ADB project team may reasonably request.

B.2. TA RESOURCE PERSONS (INTERNATIONAL, 6 PERSON-MONTHS)

20. Each resource person will be engaged for not more than 33 working days to provide analytical inputs and/or prepare and deliver presentations at specific knowledge-sharing seminars, workshops or knowledge-sharing events on areas to complement and/or cover not otherwise covered by the TA's consultants. The resource persons will be internationally distinguished experts or policymakers specializing in trade- and investment-related issues under the CAREC Integrated Trade Agenda 2030 priorities.

21. The resource persons will perform the following tasks: (i) provide technical and analytical inputs to summary or highlights report of the TA's knowledge-sharing activities; (ii) prepare and make presentations in knowledge-sharing activities such as trainings, seminars and workshops on select topic as may be assigned by the ADB project team; (iii) moderate and facilitate discussions and exchange ideas among participants and other resource persons; and (iv) conduct other tasks related to TA implementation that the ADB project team may reasonably request.