

TERMS OF REFERENCE (“TOR”)
FOR CONSULTANTS TO CONDUCT
THE JOINT REVIEW STUDY OF THE ASEAN-KOREA FREE TRADE AREA

I. Background

Following the outcomes of the 17th AEM-ROK Consultations in August 2020 on the importance of reviewing the Agreement with a view to improving market access and ensuring its relevance to business, the AKFTA Implementing Committee (AKFTA-IC) agreed at its 18th Meeting on 27 July 2021 that a comprehensive review study of the AKFTA is needed to review the overall AKFTA implementation and identify areas in the AKFTA that could be improved for a possible AKFTA upgrade. The study should take into account recent developments, such as the updating of the study of further liberalization, impact of RCEP against the implementation of tariff commitments under the AKFTA, emerging issues such as digital trade and investment facilitation, new trends in global economy in the context of COVID-19 pandemic, and reciprocal treatment. The concept note entitled “Joint Review Study of the ASEAN-Korea Free Trade Area” (“the Study”) was endorsed intersessionally by the AKFTA IC on 11 October 2021.

To conduct the Study, the AKFTA-IC will hire consultants from ASEAN and ROK. The ASEAN Secretariat (The ASEC) will be responsible for hiring a consultant for ASEAN while the Ministry of Trade, Industry, and Energy (MOTIE) will be responsible for hiring consultant for ROK.

Scope of work

The Consultants will review and assess the overall AKFTA implementation and identify areas in the AKFTA that could be improved for a possible AKFTA upgrade in parallel with the ASEAN-Korea Further Liberalisation of Sensitive Track Products as mandated by the Ministers. The study also aims to identify prioritisation of areas for possible improvement, considering the relevant emerging issues and global trends in the context of the COVID-19 pandemic. The Study will also provide recommendations on ways to further upgrade the AKFTA and a work programme and timeline for the possible upgrade of the AKFTA including on finalising the Further Liberalization of Sensitive Track Products negotiations, frequency and schedule of meetings, and legal instruments to incorporate the outcomes of the negotiations.

The outcome of the Study will serve as a basis for discussions on the Further Liberalisation of the sensitive track products and to consider the way forward for potential upgrade negotiations of the AKFTA agreements and will be reported to the AEM-ROK.

Consultants’ qualifications

• The consultants should be an expert in FTA related issues and should demonstrate qualification in providing analytical, comparative study and technical assistance and capacity building solutions related to regional (multilateral and bilateral) FTAs.
• The consultants should have a minimum of 10 years of experience in working on FTAs related studies
• The consultants should have demonstrated ability and experience in effectively facilitating group discussions and engaging positively and productively with various stakeholders, including government officials
• The consultants should have previous experience or consulting work with AKFTA Parties

II. Outputs

1. Detailed contents of the study are enumerated below:

- a) *Executive Summary*. This element of the Study will provide a summary of key findings and recommendations of the Study. A summary form of the Study may be released to the public upon the approval of the AKFTA IC.
- b) *Comparative study and gap analysis*. This element of the Study will compare the substance of the provisions between the AKFTA, other ASEAN Plus One FTAs and the RCEP, and identify gaps and areas for improvements for the AKFTA.
- c) *Impact analysis*. This element of the Study will include an analysis of the implementation of AKFTA and its impact on regional economic integration as well as the economic growth and trade value projection for both ASEAN (as a single entity and as individual countries) and Korea.

To support this work:

- (i) AKFTA Parties (“Parties”) will share the necessary data and other analyses, including tariff preference utilisation, to the extent that such information is available. Where possible, the Study will also include the projected impact of the adoption of the study recommendations on the economies of the Parties;
 - (ii) Consultations with the AKFTA-IC and ASEAN-Korea Business Council (AKBC) will be organised to obtain further inputs from AKFTA Parties. Parties will also be given time to consult internally with government agencies, businesses and other groups as necessary. The consultants could prepare a common template, which Parties could use to survey their domestic agencies and stakeholders; and
 - (iii) Consultants will develop a form, to be approved by Parties, to survey the readiness and preferences of AKFTA Parties regarding the further liberalisation of the sensitive track products and improvement of other areas of the AKFTA. The survey may identify common areas for possible work of the further liberalisation, in comparison with other ASEAN’s FTA Agreements and the RCEP.
- d) *Joint Report*. This element of the Study will provide major findings and recommendations on ways of advancing the work of further liberalisation of the sensitive track products and of improving the AKFTA based on the results of the identification of the possible areas of upgrade, new areas for inclusion, and a proposed work programme for negotiations, will be consolidated into a single Joint Report for the AKFTA-IC.

The Joint Report shall be referred to SEOM-ROK for consideration and, subsequently, to AEM-ROK as a basis for a mandate to launch discussion on enhancement of the AKFTA.

2. In conducting the Study, the following activities will be carried out by the selected Consultants:

Activity 1: Submission of the Initial Draft Report

The initial draft report would cover all sections in the outline agreed, including the comparative study and gap analysis. It will also provide initial data sources, proposed

interviews, consultations, questionnaires and timelines for the completion of the report.

Activity 2: Consultations and Survey

This activity comprises the necessary consultations with AKFTA Parties and AKBC and a survey on the readiness and preferences of AKFTA Parties regarding the further liberalisation exercise and other areas for improvement.

Activity 3: Submission of the Final Draft

The Final Report would incorporate comments, corrections, and recommendations from ASEAN Member States, Korea and the ASEAN Secretariat.

III. Timeline and Deliverables

Milestones	Activities	Timeline
1	Submission of an initial draft report to AKFTA IC	1 April 2022
2	Consultation dialogues/interviews with Parties	1 May 2022
3	Presentation of the draft report to the 19 th AKFTA IC Meeting	May 2022
4	Submission of final Joint Report to the AKFTA IC, through the ASEAN Secretariat	July 2022
5	Submission of final Joint Report to SEOM and SEOM-ROK for adoption	July 2022
6	Submission of final Joint Report to AEM-ROK for endorsement/adoption	September 2022

IV. Monitoring and Evaluation

The Consultants can confer with the ASEC's External Economic Relations Division (EERD) or MOTIE for any questions or clarification on this project. The ASEC and MOTIE will provide the necessary documents and data for as needed by the Consultations. The Consultants will work closely with ASEC and MOTIE to ensure that the timeframe described in the Indicative Work Plan are achieved.

V. Submission of Proposals

In conformance to the ASEAN Secretariat's Financial Rules and Administrative Procedures (AFARP), the Consultant shall submit the applications in two separate documents: Technical Proposal and Financial proposal.

A. Technical Proposal

The technical component should contain the following information:

- a. A brief discussion indicating the prospective Consultant's understanding of the project's purpose;
- b. A discussion of how the prospective Consultant proposes to approach the project including but not limited to methodology to undertake the assignment and list of possible reference materials taking into account the targets to complete the undertaking;

- c. A brief summary of the prospective Consultant's expertise and knowledge in the application and implementation of Free Trade Agreements (FTAs), including the application of advisory work in disseminating benefits of FTAs to stakeholders;
- d. Brief discussion on the consultant's or firm's past experience in undertaking similar work and brief summary of projects undertaken (Please provide links to the publications if available, or enclose selected publications in soft-copy in the application);
- e. Names and curriculum vitae of associates, subcontractors, personnel or employees who will be engaged in the performance of services (if any);
- f. A sample of written work of similar nature as described in the output of this ToR that demonstrates suitability to carry out this project.
- g. Other information to substantiate the capacity of applicants to undertake the project.

B. Financial Proposal

Financial proposal should specify all costs (in USD) for undertaking the project including but not limited to:

- a. Professional services fee for completing all deliverables;
- b. Management and/or operational fees (if any), which include all costs incurred by the person for internal coordination, communication, travels and any other associated project management cost;
- c. Other costs that may be incurred in undertaking the project.

VI. Additional Notes on Terms and Conditions of the Project

- 1. Any future studies/reports/analysis in any form of intellectual property rights (including but not limited to patents, copyright and any related rights) submitted by the Contractor to ASEAN arising out of or in connection to the services performed by the Consultant to ASEAN shall belong to ASEC under the name of ASEAN only;
- 2. Successful bidder shall agree to be bound by and to sign the Special Services Agreement (SSA) with all requirements under the terms and conditions provided therein; and
- 3. As an intergovernmental organisation, ASEAN shall not be responsible for any tax(es), levy, tax claim or any tax liability which may be imposed by any law in relation to any amount payable by the ASEAN Secretariat.
