



# Technical Assistance Report

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Project Number: 49163-001  
Capacity Development Technical Assistance (CDTA)  
December 2015

## Kingdom of Thailand: Strengthening Specialized and Semi-Formal Financial Institutions to Support Financial Inclusion (Financed by the Japan Fund for Poverty Reduction)

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 3 November 2015)

Currency unit	–	baht (B)
B1.00	=	\$0.03
\$1.00	=	B35.58

## ABBREVIATIONS

ADB	–	Asian Development Bank
CAD	–	Cooperative Auditing Department
CPD	–	Cooperative Promotion Department
FPO	–	Fiscal Policy Office
MOF	–	Ministry of Finance
SFI	–	specialized financial institution
SMC	–	Secondary Mortgage Corporation
TA	–	technical assistance

## NOTE

In this report, “\$” refers to US dollars.

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## CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 49163-001</b>	
<b>Project Name</b>	Strengthening Specialized and Semi-Formal Financial Institutions to Support Financial Inclusion	<b>Department /Division</b>	SERD/TRM
<b>Country</b>	Thailand	<b>Executing Agency</b>	Fiscal Policy Office
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>Financing (\$ million)</b>	
✓ Finance	Inclusive finance		1.50
		<b>Total</b>	<b>1.50</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development Public financial governance	No gender elements (NGE)	✓
Partnerships (PAR)	Bilateral institutions (not client government) Official cofinancing		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Not Applicable	
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.00</b>	
None		0.00	
<b>Cofinancing</b>		<b>1.50</b>	
Japan Fund for Poverty Reduction		1.50	
<b>Counterpart</b>		<b>0.75</b>	
Government		0.75	
<b>Total</b>		<b>2.25</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		Yes	
Use of country public financial management systems		Yes	



## I. INTRODUCTION

1. The goal of the country partnership strategy, 2013–2016 is to assist Thailand in achieving inclusive and sustainable rapid economic growth, leading to reduced poverty and a higher income status.<sup>1</sup> The country partnership strategy is operationalized through four program areas: infrastructure development, finance sector development, environmentally sustainable development, and regional cooperation initiatives. Under the finance sector development program area, inclusive finance is of high priority. This capacity development technical assistance (TA) project was included in the Asian Development Bank (ADB) country operations business plan for Thailand, 2015–2017.<sup>2</sup> During the 2015 country programming mission, the government confirmed that financial inclusion remained high on Thailand's development agenda. The TA impact, outcome, outputs, implementation arrangements, cost estimates and financing agreements, and terms of reference were agreed during a TA fact-finding mission from 1 July to 28 August 2015. The design and monitoring framework is in Appendix 1.<sup>3</sup>

## II. ISSUES

2. Financial inclusion among the low-income segment remains challenging in Thailand. The main financial service providers in the low-income segment are specialized financial institutions (SFIs) and semi-formal financial institutions—cooperatives and village funds. ADB provided TA to Thailand to support the development of a strategic framework for financial inclusion during 2011–2014.<sup>4</sup> Anchored on the findings and recommendations of the technical support, the Ministry of Finance (MOF) finalized the Master Plan for Financial Inclusion in October 2015. This capacity development TA project will support the implementation of two strategies of the Master Plan.<sup>5</sup> The second strategy of the Master Plan calls for a strengthening of semi-formal and specialized financial institutions as these are the important players in Thailand financial inclusion landscape. Under this strategy the role of SFIs will be adjusted so that they can better serve the allocation of financial resources for national economic development needs. The third strategy of the Master Plan involves the development of financial infrastructure for financial inclusion and this includes an enhancement of regulatory framework and capacity over semi-formal financial institutions.

3. Eight SFIs are operating in Thailand, each established with specific financial inclusion mandates. However, over time, many SFIs have drifted away from their original financial inclusion mission and have offered products competing with commercial banks. One factor diverting SFIs' attention from their original mission is their performance evaluation framework. SFIs' performance evaluation system is somewhat unclear and the parameters are not specific enough in terms of financial inclusion mandates. As SFIs deal with a large population base, performance evaluation parameters on risk management and good governance must also be emphasized. Recognizing the issues, MOF, through the Fiscal Policy Office (FPO) and the State Enterprise Policy Office, plans to rationalize the strategic directions of SFIs and requested that ADB provide technical support to realign SFIs' medium-term business plans and their performance evaluation framework and parameters.

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<sup>1</sup> ADB. 2012. *Country Partnership Strategy: Thailand, 2013–2016*. Manila.

<sup>2</sup> ADB. 2013. *Country Operations Business Plan: Thailand, 2015–2017*. Manila.

<sup>3</sup> The TA first appeared in the business opportunities section of ADB's website on 18 August 2015.

<sup>4</sup> ADB. 2011. *Technical Assistance to the Kingdom of Thailand for the Development of a Strategic Framework for Financial Inclusion*. Manila.

<sup>5</sup> The three strategies under the Master Plan for Financial Inclusion are 1) increase income and financial capability of low income population; 2) strengthen financial service providers; 3) develop necessary financial infrastructure for financial inclusion.

4. The semi-formal finance sector comprises cooperatives. Over 8,000 cooperatives are in operation in Thailand, with over 11.5 million members and total savings of B1.4 trillion at the end of 2014. Cooperatives may be divided into seven different types, but the semi-formal finance sector is led by savings cooperatives and credit unions, which take deposits from members.<sup>6</sup> Their assets accounted for about 5% of overall financial institution assets at the end of 2014. The Ministry of Agriculture and Agricultural Cooperatives, through the Cooperative Promotion Department (CPD) and the Cooperative Auditing Department (CAD), oversees the activities of cooperatives in Thailand.

5. As cooperatives get larger with more complex financial activities, supervision over cooperatives—especially deposit-taking cooperatives—from a financial risk management perspective is perceived to be lagging. CAD and CPD realized that cooperative-based financial services (and deposit-taking cooperatives in particular) should be regulated within the purview of the financial system and that regulatory–supervisory benchmarks for cooperative-based financial services should be compatible with those of financial institutions. Evaluations done by the Cooperative Auditing Department found that in 2012, some 650 cooperatives were involved in fraud and financial misconduct, with a total financial loss of over B1 billion. With the relatively small size of cooperatives’ assets, such misconduct will not affect the stability of the financial system. However, the effect on members of cooperatives, who are often within the low-income segment, cannot be ignored. CAD and CPD have indicated that the capacity of the cooperative regulator needs to be enhanced to supervise financial services proficiently, and an early warning system against financial fraud within the cooperative sector should be developed to protect low-income financial consumers. The two financial sector regulators, the Bank of Thailand and FPO, fully support such propositions.

6. ADB has provided support to evaluate the benefit of a mortgage insurance product for Thai markets through a previous TA project.<sup>7</sup> The study found that mortgage insurance could be useful for the Thai mortgage market, with a potential benefit to extend home loan availability to lower income households. While the market is not yet familiar with the product, the study recommended that mortgage insurance could be launched on a small scale through an existing SFI—the Secondary Mortgage Corporation (SMC). Following the recommendation, the FPO is proposing an amendment of the SMC legislation to allow for a mortgage insurance business. ADB has been requested to provide further support to structure the mortgage insurance business once the legislation is passed.

7. Financial inclusion is a dynamic issue. At the basic level, it is about access to financial services such as savings, credits, and payment for the low-income segment. For a fast-aging middle-income country such as Thailand, financial inclusion also involves issues of micro-insurance, pensions, and financing for community-based innovation, among others. While strengthening the existing institutions and structure is crucial, flexibility to adapt to future needs is also important. At the moment, SFIs and semi-formal financial institutions provide access to basic financial services but they could develop more products to meet the financial needs of low-income clients. Access to international knowledge and innovations in financial inclusion will be beneficial to these financial institutions and ultimately the population of Thailand.

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<sup>6</sup> The seven types of cooperatives are agricultural, fishery, land settlement, consumer, service, savings cooperatives, and credit unions.

<sup>7</sup> ADB. 2010. *Technical Assistance to the Kingdom of Thailand for Capital Market Development Phase III*. Manila.



### III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

#### A. Impact and Outcome

8. The impact will be stronger inclusive finance for low-income household. The outcome will be efficiency of specialized and semi-formal financial institutions in providing inclusive finance improved.

#### B. Methodology and Key Activities

9. **Output 1: Strategic directions of specialized financial institutions rationalized with performance evaluation framework and parameters improved.** The TA will help rationalize the strategic directions of SFIs to ensure that they focus on their financial inclusion mandate of filling gaps in the financial system and do not crowd out private sector financial service providers. Built on a previous diagnostic study, supply gaps in the financial inclusion landscape will be examined and identified to serve as a basis for the review of SFIs' roles and strategic directions. The project will help strengthen the capacity of the FPO and SFIs in appraising business directions and developing medium-term strategic business plans in accordance with the identified supply gaps.

10. The existing performance assessment system of SFIs will be reviewed and revised to bring it into line with the adjusted roles and strategic directions of SFIs. A performance evaluation framework will be developed, with clear and relevant key performance indicators, to evaluate the performance of SFIs, taking into consideration SFIs' financial inclusion mandate, public service activities, and risk management performance. Parameters to assess the performance of SFIs, according to both commercial and public service criteria, will be recommended.

11. **Output 2: Mortgage insurance business established.** The TA will provide support to introduce mortgage insurance products in Thailand. Once the amendment to the SMC Act, 1997 is approved, the project will help the SMC develop the mortgage insurance business organization and structure mortgage insurance products. The TA will also provide capacity building to the SMC focusing on approval operations and risk management.

12. **Output 3: Regulatory and supervision capacity over cooperative sector strengthened.** The TA will undertake an in-depth review of cooperative-based financial services. The project will propose an improved regulatory and governance framework as well as oversight structure for cooperative-based financial services in general and deposit-taking cooperatives in particular, taking into consideration both financial sector stability and financial consumer protection objectives. To enhance financial consumer protection for cooperative members, the TA will help develop early warning indicators to assess financial risks for deposit-taking cooperatives. The project will also help strengthen the capacity of cooperative regulators on financial service supervision.

13. **Output 4: Financial inclusion knowledge products.** Apart from knowledge products to be produced under outputs 1 to 3, the TA plans to generate other knowledge products related to financial inclusion issues as requested by the government. These will include but not be limited to briefing papers and workshops. At least one international knowledge sharing forum will be organized, with proceedings from the conferences published. The international knowledge sharing forum will be organized, leveraging the cooperation set forth in the framework for

cooperation between Japan's Financial Services Agency and Thailand's MOF.<sup>8</sup> Such knowledge products will help equip relevant agencies to cope with the evolving financial inclusion landscape both in terms of needs and innovation.

### **C. Cost and Financing**

14. The TA is estimated to cost \$2,250,000, of which \$1,500,000 will be financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. The proceeds of the TA will be disbursed in accordance with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

15. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, meeting and workshop venues, and other in-kind contributions.

### **D. Implementation Arrangements**

16. The FPO will be the executing agency. Other agencies involved in the implementation of the TA include the Bank of Thailand, CAD, CPD, the State Enterprise Policy Office, and the SMC.

17. Two consulting firms and three individual national consultants will be recruited to undertake the TA activities; about 51 person-months of consulting services will be required, comprising 19 person-months of international and 32 person-months of national consulting services. The outline terms of reference for consulting services are in Appendix 3. The consulting firms will be recruited, using fixed-budget selection method. Consultants to be engaged through an international financial inclusion firm are an international financial sector expert (6 person-months), an international financial inclusion expert (7 person-months), and an international financial sector supervision specialist (3 person-months). Consultants to be engaged through an international mortgage insurance development firm are an international mortgage insurance advisor (3 person-months), a national legal expert (2 person-months), and a national risk management expert (3 person-months). Three national consultants will be engaged as individuals, including a national public finance specialist (6 person-months), a national financial sector specialist (3 person-months), and a national project coordinator (18 person-months). The consultants will be engaged by ADB in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time).

18. The TA activities, including consultation meetings, training workshops, and conference, will be implemented from 1 January 2016 to 31 December 2017. The implementation of the TA will be monitored on a regular basis through close consultation between ADB's Thailand Resident Mission, the executing agency, and the consulting team. A steering committee will be set up by the executing agency and will comprise all relevant agencies to provide guidance to and evaluate the quality of the work of the consulting team. TA progress reports will be reviewed and any issues arise will be discussed in a timely manner.

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<sup>8</sup> A letter of cooperation was signed between Japan's Financial Services Agency and Thailand's MOF. The objective of the framework is to promote the development of sound financial regulatory mechanisms and financial markets through exchanges of experience and expertise in the areas of small and medium-sized enterprise financing, financial inclusion, insurance industry, resolution of financial institutions, and other areas to be agreed.

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

19. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$1,500,000 to the Government of Thailand to be financed on a grant basis by the Japan Fund for Poverty Reduction for Strengthening Specialized and Semi-Formal Financial Institutions to Support Financial Inclusion, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the Technical Assistance is Aligned with</b>			
Stronger inclusive finance for low-income households <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<b>Outcome</b> Efficiency of specialized and semi-formal financial institutions in providing inclusive finance improved	Number of household without access to finance reduced to 3.5% by 2018 (baseline: 4.2% in 2013)	Access to Finance Survey Report by BOT	Weakened economic outlook shifting the focus of economic reform
<b>Outputs</b> 1. Strategic directions of SFIs rationalized with performance evaluation framework and parameters improved  2. Mortgage insurance business established  3. Regulatory and supervision capacity over cooperative sector strengthened  4. Financial inclusion knowledge products	By 2017: 1a. Medium-term strategic direction of SFIs jointly prepared and mutually agreed with FPO  1b. Revised performance framework and parameters for SFIs adopted  2. Mortgage insurance business and product structure in place  3a. Financial stability benchmarks for supervision of cooperative sector adopted  3b. Cooperative regulator undertakes quarterly early warning reviews commenced  4. At least one briefing paper published and one knowledge sharing conference organized, with 150 participants	1a. Medium-term strategic direction of SFIs available on FPO and SFI websites  1b. Performance framework and parameters published on State Enterprise Policy Office website  2. Mortgage insurance business launched on SMC website  3a–3b. The adopted benchmarks published on CAD and CPD websites  4. Conference proceedings	Vested interests slow the pace of reform.

## Key Activities with Milestones

### 1. Roles and business directions of SFIs rationalized with performance evaluation framework and parameters improved

- 1.1 Review current SFIs' mandate, business directions, and performance evaluation system (Q1 2016).
- 1.2 Identify and analyze supply gaps (Q2 2016).
- 1.3 Recommend appropriate strategic direction of SFIs (Q2–Q3 2016).
- 1.4 Support FPO and SFIs in finalizing medium-term strategic plans (Q3 2016).
- 1.5 Recommend improvements to the performance assessment system for SFIs (Q3–Q4 2016).
- 1.6 Conduct training on the recommended performance assessment parameters (Q4 2016–Q1 2017).

### 2. Mortgage insurance business established

- 2.1 Assist SMC to develop business organization for mortgage business (Q3 2016).
- 2.2 Work with SMC to develop mortgage insurance products (Q3–Q4 2016).
- 2.3 Conduct capacity-building activities for SMC (Q4 2016–Q1 2017).
- 2.4 Support the launch of mortgage insurance company (Q2 2017).
- 2.5 Conduct capacity-building activities for staff of the mortgage insurance company (Q1–Q3 2017).

### 3. Regulatory and supervision capacity over cooperative sector strengthened

- 3.1 Conduct an in-depth review of cooperative-based financial services system, including field research (Q1–Q3 2016).
- 3.2 Conduct consultations with relevant agencies and organize consultation workshops (Q2–Q3 2016).
- 3.3 Propose an improved regulatory and governance framework as well as oversight structure for cooperative-based financial services (Q4 2016).
- 3.4 Recommend standard tools and early warning indicators for supervision of cooperative-based financial services (Q4 2016).
- 3.5 Conduct trainings for relevant agencies to enable them to apply the standard tools and early warning indicators (Q1–Q2 2017).

### 4. Financial inclusion knowledge products

- 4.1 Conduct an international knowledge sharing forum on financial inclusion (Q3 2017).
- 4.2 Develop other knowledge products during the implementation period of the TA as appropriate.

## Inputs

Japan Fund for Poverty Reduction: \$1,500,000

Note: The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, meeting and workshop venues, and other in-kind contributions.

## Assumptions for Partner Financing

Not applicable.

BOT = Bank of Thailand, CAD = Cooperative Auditing Department, CPD = Cooperative Promotion Department, FPO = Fiscal Policy Office, Q = quarter, SFI = specialized financial institution, SMC = secondary mortgage corporation, TA = technical assistance.

<sup>a</sup> Government of Thailand. 2011. *Eleventh National Economic and Social Development Plan, 2012–2016*. Bangkok.

Source: Asian Development Bank.

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

<b>Item</b>	<b>Amount</b>
<b>Japan Fund for Poverty Reduction<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	500.0
ii. National consultants	180.0
b. International and local travel	200.0
c. Reports and communications	20.0
2. Training, seminars, and conferences <sup>b</sup>	320.0
3. Surveys	50.0
4. Miscellaneous administration and support costs <sup>c</sup>	80.0
5. Contingencies	150.0
<b>Total</b>	<b>1,500.0</b>

Note: The technical assistance (TA) is estimated to cost \$2,250,000, of which contributions from the Japan Fund for Poverty Reduction are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, meeting and workshop venues, and other in-kind contributions. The value of government contribution is estimated to account for 33% of the total TA cost.

<sup>a</sup> Administered by the Asian Development Bank.

<sup>b</sup> This is to cover at least eight training workshops and an international knowledge sharing conference.

<sup>c</sup> Miscellaneous administration and support costs include expenses related to consultation meetings and translation costs.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Two consulting firms and three individual national consultants will be engaged. Consultants to be engaged through an international financial inclusion firm are an international financial sector expert (6 person-months), an international financial inclusion expert (7 person-months), and an international financial sector supervision specialist (3 person-months). Consultants to be engaged through an international mortgage insurance development firm are an international mortgage insurance advisor (3 person-months), a national legal expert (2 person-months), and a national risk management expert (3 person-months). Three national consultants will be engaged as individuals, including a national public finance specialist (6 person-months), a national financial sector specialist (3 person-months), and a national project coordinator (18 person-months). The consultants will be engaged by the Asian Development Bank (ADB) in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time).

2. The following terms of reference are indicative; full terms of reference will be made available separately.

### A. International Financial Inclusion Firm

3. **International financial sector expert** (6 person-months, intermittent). The financial sector expert must have a university degree in finance, banking, or related fields; and preferably 12 years of professional experience in financial sector development and regulations. The expert must have working experience in developing countries. Knowledge of the financial sector in Thailand is preferred. The expert will perform the following tasks:

- (i) lead, manage, and consolidate overall work under output 1 of the technical assistance (TA);
- (ii) lead the review of the existing studies on the demand and supply of financial services, including new developments;
- (iii) conduct a survey, as deemed necessary, to identify supply gaps;
- (iv) identify gaps in the financial inclusion landscape;
- (v) provide recommendations to the Fiscal Policy Office (FPO) for the rationalization of the roles of specialized financial institutions (SFI) in terms of financial inclusion;
- (vi) advise the FPO and SFIs on medium-term strategic directions according to the rationalized roles of each SFI and provide support to finalize the medium-term business plans of SFIs;
- (vii) provide recommendations to improve the performance evaluation framework and suggest key performance indicators that reflect the financial inclusion mission as well as risk management performance for SFIs; and
- (viii) conduct workshop, training, seminar, and survey related to output 1 of the TA.

4. **International financial inclusion expert** (7 person-months, intermittent). The financial inclusion expert must have a university degree in finance, banking, or related fields; and preferably 12 years of professional experience in microfinance sector development, microfinance regulation, cooperative-based finance, and financial consumer protection. The expert must have some experience in developing countries. Knowledge of the financial sector in Thailand is preferred. The expert will perform the following tasks:

- (i) review existing studies on the demand and supply of financial services, including new developments;
- (ii) conduct necessary survey to identify supply gaps;
- (iii) identify gaps in the financial inclusion landscape;

- (iv) advise the FPO and SFIs on medium-term strategic directions in accordance with the rationalized roles of each SFI, and provide support to finalize the medium-term business plans of SFIs;
- (v) provide recommendations on the performance evaluation framework and key performance indicators that reflect the financial inclusion mission and risk management performance for SFIs;
- (vi) contribute to workshop, training, seminar, and survey related to output 1 of the TA;
- (vii) lead, manage, and consolidate overall work under output 3;
- (viii) undertake an in-depth review of the cooperative sector in Thailand, with a focus on savings cooperatives, credit unions, and financial services of other cooperatives;
- (ix) identify gaps in the current regulatory and governance framework of the cooperative sector in relation to the financial system;
- (x) make recommendations for an improvement in the regulatory and governance framework as well as oversight structure for deposit-taking cooperatives in particular and cooperative-based financial services in general;
- (xi) lead the development of standard financial supervision tools and early warning indicators for supervision of cooperative-based financial services;
- (xii) recommend measures to enhance financial consumer protection within the cooperative sector; and
- (xiii) conduct training workshops on selected topics of the proposed improvements in the regulatory and governance framework under output 3 of the TA.

5. **International financial sector supervision specialist** (3 person-months, intermittent). The financial sector expert must have a university degree in finance, banking, or related fields; and preferably 12 years of professional experience in financial sector development, regulations, and supervision. The expert must have working experience in developing countries. Knowledge of the financial sector in Thailand is preferred. The expert will perform the following tasks:

- (i) identify gaps in the current regulatory and governance framework of the cooperative sector, focusing on the financial system stability;
- (ii) provide inputs from a financial institution supervision point of view and work with the international financial inclusion expert to recommend improvements in the regulatory and governance framework as well as oversight structure for deposit-taking cooperatives in particular and cooperative-based financial services in general;
- (iii) develop standard financial supervision tools and early warning indicators for the supervision of cooperative-based financial services; and
- (iv) conduct training on standard financial supervision tools, the early warning system, and any other necessary financial supervision topics under output 3 of the TA.

## **B. International Mortgage Insurance Development Firm**

6. **International mortgage insurance advisor** (3 person-months, intermittent). The advisor must have a university degree in finance or related fields with preferably 12 years of professional experience in finance, banking, or capital markets. Knowledge of mortgage market in Thailand is an advantage. The advisor will perform the following tasks:

- (i) lead, manage, and consolidate overall work under output 2;
- (ii) provide support to the Secondary Mortgage Corporation (SMC) to recommend business operation organization of the mortgage insurance company;
- (iii) structure the initial mortgage insurance products;



- (iv) provide training to the staff of the SMC and, once the mortgage insurance company is established, staff of the mortgage insurance company focusing on approval operations and risk management; and
- (v) be responsible for the administration of workshop and trainings related to the tasks.

7. **National legal expert** (2 person-months, intermittent). The national legal expert must have a university degree in law and preferably 7 years of professional experience related to the financial sector in Thailand.

8. The national legal expert will provide all necessary legal background and requirements according to Thai law for the development of mortgage insurance products and for setting up a mortgage insurance company to the international mortgage insurance advisor.

9. **National risk management expert** (3 person-months, intermittent). The national risk management expert must have a university degree in finance or related fields, with preferably 5 years of professional experience related to risk management.

10. The national risk management expert will assist the international mortgage insurance advisor in providing support to the SMC to develop mortgage insurance products. The expert will help coordinate with the SMC and other relevant agencies and provide ad hoc translation. The expert will assist the international advisor to conduct training.

### C. Individual Consultants

11. **National public finance specialist** (individual, 6 person-months, intermittent). The national public finance specialist must have a university degree in economics, public finance, or related fields. The specialist should have 7 years of professional experience in fiscal policy, with good knowledge of the financial sector and SFIs in Thailand. The specialist will perform the following tasks:

- (i) provide an initial knowledge of SFIs in Thailand to the international experts;
- (ii) help coordinate with Thai agencies and provide ad hoc translation;
- (iii) work with the international experts to review existing studies on the demand and supply of financial services, including new developments;
- (iv) contribute to necessary survey to identify supply gaps;
- (v) contribute to the analysis of gaps in the financial inclusion landscape; and
- (vi) provide inputs on Thailand's fiscal and financial inclusion policy aspects to the international consultant.

12. **National financial sector specialist** (individual, 3 person-months, intermittent). The national financial sector specialist must have a university degree in economics, finance, or related fields. The specialist should have 7 years of professional experience in the financial sector, with good knowledge of the cooperative sector in Thailand.

13. The specialist will provide a background study of the cooperative sector in Thailand to the international consultants; help coordinate with Thai agencies and provide ad hoc translation; assist the international consultants to review the cooperative sector in Thailand, with a focus on savings cooperatives, credit unions, and financial services of other cooperatives; provide Thailand-specific context to the consultants in making recommendations; and provide support to the training.

14. **National project coordinator** (individual, 18 person-months, intermittent). The national project coordinator should have a university degree in business administration, economics, or a related discipline and preferably 3 years of professional experience related to the financial sector, with some experience in project assistance or project management. Knowledge of specialized financial institutions and semi-formal financial institutions is an advantage. The national project coordinator will perform the following tasks:

- (i) assist in the arrangement and organization of meetings for the TA activities and ADB missions;
- (ii) be the focal person of the project for any coordination with Thai counterparts;
- (iii) assist in the preparation of materials for reports, meetings, and training, and document production;
- (iv) provide research support as may be reasonably requested;
- (v) assist in organizing the international knowledge sharing forum; and
- (vi) assist in the preparation of knowledge products.