



# Technical Assistance Report

---

Project Number: 51025–001  
Knowledge and Support Technical Assistance (KSTA)  
August 2018

## People's Republic of China: Reform and Diversification of the Local Government Bond Market

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 20 August 2018)

|               |   |            |
|---------------|---|------------|
| Currency unit | – | yuan (CNY) |
| CNY1.00       | = | \$6.8776   |
| \$1.00        | = | CNY0.14539 |

## ABBREVIATIONS

|      |   |                                    |
|------|---|------------------------------------|
| ADB  | – | Asian Development Bank             |
| LGFV | – | local government financing vehicle |
| MOF  | – | Ministry of Finance                |
| PRC  | – | People’s Republic of China         |
| TA   | – | technical assistance               |

## NOTE

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

|                         |  |
|-------------------------|--|
| <b>Vice-President</b>   | Stephen Groff, Operations 2  |
| <b>Director General</b> | Amy S.P. Leung, East Asia Department (EARD)  |
| <b>Director</b>         | Ying Qian, Public Management, Financial Sector, and Regional Cooperation Division, EARD  |
| <b>Team leader</b>      | Giacomo Giannetto, Principal Financial Sector Specialist, EARD   |
| <b>Team members</b>     | Consuelo Javier, Project Analyst, EARD<br>Seung Min Lee, Financial Sector Specialist, EARD<br>Long Yun Peng, Senior Economics Officer, People’s Republic of China Resident Mission<br>Pauline Marie Ruiz, Operations Assistant, EARD |

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## CONTENTS

|  | <b>Page</b> |
|--|-------------|
| KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE |             |
| I. INTRODUCTION  | 1           |
| II. ISSUES   | 1           |
| III. THE TECHNICAL ASSISTANCE                          | 3           |
| A. Impact and Outcome                                  | 3           |
| B. Outputs, Methods, and Activities                    | 3           |
| C. Cost and Financing                                  | 4           |
| D. Implementation Arrangements                         | 4           |
| IV. THE PRESIDENT'S DECISION                           | 5           |
| <br>   |             |
| APPENDIXES   |             |
| 1. Design and Monitoring Framework                     | 6           |
| 2. Cost Estimates and Financing Plan                   | 8           |
| 3. List of Linked Documents                            | 9           |

## KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

|   |   |   |
|---|---|---|
| <b>1. Basic Data</b>  |   | <b>Project Number:</b> 51025-001  |
| <b>Project Name</b>   | Reform and Diversification of the Local Government Bond Market                  | <b>Department/Division</b> EARD/EAPF  |
| <b>Nature of Activity Modality</b>  | Policy Advice<br>Regular  | <b>Executing Agency</b> Ministry of Finance                                 |
| <b>Country</b>  | China, People's Republic of   |   |
| <b>2. Sector</b>  |   | <b>ADB Financing (\$ million)</b>   |
| ✓ Finance   | Banking systems and nonbank financial institutions                              | 0.40  |
|   |   | <b>Total</b> <u>0.40</u>  |
| <b>3. Strategic Agenda</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 <span style="float: right;">Low</span> |
| <b>4. Drivers of Change</b>   |   | <b>Gender Equity and Mainstreaming</b>                                      |
| Governance and capacity development (GCD)                                     | Public financial governance   | Some gender elements (SGE) <span style="float: right;">✓</span>             |
| <b>5. Poverty and SDG Targeting</b>   |   | <b>Location Impact</b>  |
| Geographic Targeting  | Yes   | Rural <span style="float: right;">Medium</span>                             |
| Household Targeting   | No  | Urban <span style="float: right;">Medium</span>                             |
| SDG Targeting   | Yes   |   |
| SDG Goals   | SDG8  |   |
| <b>6. Risk Categorization</b>   |   | Low   |
| <b>7. Safeguard Categorization</b> Safeguard Policy Statement does not apply  |   |   |
| <b>8. Financing</b>   |   |   |
| <b>Modality and Sources</b>   |   | <b>Amount (\$ million)</b>  |
| <b>ADB</b>  |   | <b>0.40</b>   |
| Knowledge and Support technical assistance: Technical Assistance Special Fund |   | 0.40  |
| <b>Cofinancing</b>  |   | <b>0.00</b>   |
| None  |   | 0.00  |
| <b>Counterpart</b>  |   | <b>0.00</b>   |
| None  |   | 0.00  |
| <b>Total</b>  |   | <b>0.40</b>   |

## I. INTRODUCTION

1. The Government of the People's Republic of China (PRC) requested technical assistance (TA) from the Asian Development Bank (ADB) for the Reform and Diversification of the Local Government Bond Market. Following a fact-finding mission in June 2018, ADB and the government reached an understanding on the objectives, scope, implementation arrangements, costs, and terms of reference for the TA. The design and monitoring framework is in Appendix 1. The TA is included in ADB's country operations business plan, 2016–2018<sup>1</sup> for the PRC.<sup>2</sup>

## II. ISSUES

2. A country's economic development—and the capacity of the finance sector to support that development—depends on a well-functioning local currency bond market. A local government bond market is an integral part of the local currency bond market and is needed to deepen the finance sector. Development of a local government bond market that supports national financial stability is a key vehicle for mobilizing domestic financing for infrastructure, improving domestic policy management, and supporting better public debt sustainability.<sup>3</sup> Access to a full range of financing options is necessary given the PRC's rapid urbanization, its desire to promote subregional growth, and the need for local governments to upgrade infrastructure and better meet increasing demands for public services. Access to a deep debt market will raise their efficiency in mobilizing resources. In the PRC, up until 2015, local governments were essentially forbidden from directly issuing bonds or borrowing from banks. In October 2014, the State Council of the PRC issued a rule laying out guidelines for the supervision of local government debt.<sup>4</sup> The Budget Law of the People's Republic of China was amended and enacted on 1 January 2015 authorizing provincial governments to issue local government bonds.

3. **Fiscal decentralization and increased local government responsibility over financing.** The PRC continues to decentralize fiscal mechanisms while creating more sustainable urbanization, requiring local governments to enhance infrastructure while seeking better ways to support their funding needs and financing mechanisms. The lack of urban development financing underlines the need to develop the local government bond market and diversify the investor base. The PRC is the world's third largest bond market by volume of outstanding debt (following the United States and Japan) comprising \$9.1 trillion or 67.7% of the gross domestic product as of March 2018.<sup>5</sup> This local currency bond market is primarily composed of government bonds.<sup>6</sup> To overcome financing challenges and mitigate concerns about the use of nontransparent local government financing vehicles (LGFVs), government emphasis has been placed on developing a local government municipal bond market. The PRC's central government has emphasized the

---

<sup>1</sup> ADB. 2016. *Country Operations Business Plan: People's Republic of China, 2016–2018*. Manila.

<sup>2</sup> The TA first appeared in the business opportunities section of ADB's website on 16 July 2018.

<sup>3</sup> A. Mehrotra, et al. 2012. *Developments of Domestic Government Bond Markets in Emerging Market Economies and their Implications*. *BIS Working Paper Series*. No.67. Basel: Bank for International Settlements.

<sup>4</sup> Rule No. 43 provided for (i) strictly supervising the financing channels of local governments; (ii) shutting down nonstandard financing channels; (iii) allowing local government issuance of general purpose bonds to finance social welfare projects; (iv) disallowing local governments from providing guarantees for firms, private institutions, or persons without legal authorization; and (v) enhancing the infrastructure for local government debt.

<sup>5</sup> ADB. Asia Bonds Online. [Size of Local Currency Bond Market in % of GDP](#). (accessed 18 June 2018).

<sup>6</sup> ADB. Asia Bonds Online. [People's Republic of China](#). Six major types of instruments are traded: (i) government bonds; (ii) People's Bank of China paper; (iii) financial bonds issued by government-backed policy banks; (iv) corporate bonds; (v) commercial paper, issued by either securities firms or private corporations; and (vi) medium-term notes.

need for local governments to take full responsibility for their finances and expanding the market for local government bonds can help build that capacity.<sup>7</sup>

4. **Narrow investor base and a small and illiquid secondary market.** The over-the-counter interbank bond market and the exchange markets (Shanghai and Shenzhen stock exchanges) represent the main avenues where bonds are traded, with the over-the-counter interbank bond market comprising about 95% of total activity. Although the proportion of local government bonds in the overall PRC bond market has reached about one-quarter, local government bonds have limited liquidity and a low turnover rate of only 0.11 times. Local government bond issuance in 2017 was CNY4.36 trillion and the total issuance outstanding is CNY14.74 trillion. While Bond Connect provides a solid mechanism for foreign investors to directly invest in the local bond market, they invest significantly less in local government bonds because of a combination of policy restrictions, credit concerns, and overall lack of interest.<sup>8</sup> Only 0.1% of outstanding local government bonds issued are held by foreigners, according to data provided by the Treasury Department of the Ministry of Finance (MOF). The current investor base primarily comprises commercial banks that hold the securities to maturity.

5. The coupon rates on debt lack differentiation and are affected by factors that may contribute to increasing the cost of borrowing for local governments. These factors include the limited investor base and the lack of a secondary market. Another possible explanation is that banks view their investment through their local bank branches as an opportunity to enhance their relationship with the respective local governments. Hence coupon rates are set independent of the ratings and actual credit quality of the issuing local governments.<sup>9</sup> The options for managing finances and balancing revenue and expense streams are limited. The credit rating system used on local bond issuances is another concern impacting the development of the market. While the PRC has a formal credit rating industry, only domestic rating agencies have been authorized to rate local bonds and the May 2017 decision of the People's Bank of China to allow entry of foreign credit rating agencies will take time to have an impact.<sup>10</sup> To allow differentiation of rating results, local rating mechanisms must be linked to international practices that can be more easily understood or accepted by potential foreign investors. More rating and pricing differentiation is needed to support market enhancement.

6. **Limited debt issuance and management capacity.** While an explicit guarantee over local government debt no longer exists, investors often still hold a perception of an implicit guarantee. Local governments need to enhance capabilities and mechanisms to structure, issue, and manage bond financing. Various factors have swelled the volume of debt assumed by local governments—often accumulated through nontransparent mechanisms such as LGFVs, raising investor worries over defaults and the fiscal soundness of local governments. While local governments have extensively used LGFVs for financing since 2008, their use has recently been curtailed. Paradoxically, while material risk exists, the credit ratings of LGFVs and local

---

<sup>7</sup> “Central government control of the scale of local government bonds should be eliminated, while responsibility to issue and repay bonds should be held by the city or county that will actually use the funds, Xu Zhong, head of the People's Bank of China's research bureau, wrote in an editorial on the financial news website Yicai.” *Reuters*. 2017. [China needs Detroit-style bankruptcy as debt problems remain: central bank official](#). 25 December. p.1.

<sup>8</sup> Launched in July 2017, Bond Connect is a mutual bond market access program between Hong Kong, China and the PRC to establish a trading link for northbound investing into the China interbank bond market, the Shanghai Free Trade Zone, the Shanghai Stock Exchange, and the Shenzhen Stock Exchange.

<sup>9</sup> ADB. 2015. *Knowledge Work on Local Government Bond Market in the People's Republic of China*. Consultant's report. Manila.

<sup>10</sup> *Reuters*. 2017. [China opens local bond ratings to global agencies](#). 4 July.

governments are often high.<sup>11</sup> Local governments have limited, directly controllable revenue sources to support bond repayments. Funding flows from central government transfers are uncertain. The rise in debt levels, the lack of functional bond management skills, and concerns over potential defaults impair (i) the development of the market, (ii) the capacity to draw in a larger investor base (including foreign investors), and (iii) the ability to issue different bond structures.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

7. The TA is aligned with the following impact: quality of the environment for local government bond market issuance improved. The TA will have the following outcome: investor confidence in the local government bond market increased.

#### B. Outputs, Methods, and Activities

8. The TA will assess the impediments to expanding the interest of investors (both domestic and foreign) to invest in local government bonds. The TA will also support knowledge transfer to local governments and finance bureaus on best practices in structuring and issuing bonds. The TA will be implemented through a combination of providing research and education, institutional and policy advice, and practical exposure to best practices that can be applied locally. ADB has had extensive engagement in supporting the development of bond markets and provincial development strategies,<sup>12</sup> as well as improving public finances.<sup>13</sup> The TA will draw on the combined experience in these areas to provide sound and holistic solutions.

9. **Output 1: Local government bond issuance framework improved.** Output 1 will (i) assess current practices on bond structuring, issuance, and administrative procedures, as well as debt and capital investment management capacity by local governments; (ii) assess the current policy, regulatory, infrastructure, and institutional framework governing the local government bond market to determine the appropriateness of the framework and identify impediments to market development; (iii) survey the local institutional investor base to assess their interest in local government bonds and evaluate their requirements or impediments to investing; (iv) survey a sample of potential foreign investors to identify their impediments to investing in local government bonds; (v) hold consultations on multi-issuance channels to include the Shanghai Free Trade Zone, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, and the Bond Connect mechanism (footnote 8); (vi) assess best practices in selected developed countries to identify what elements can be applied in the PRC, focusing on bond structuring, distribution, investor targeting, information disclosure, and transparency; (vii) conduct national training and workshops for local governments and finance bureaus to disseminate the best investment processes identified; (viii) hold an international conference to bring in experts and discuss practices that can be best applied in the PRC; and (ix) conduct a management study tour for the MOF, selected finance bureaus, and local governments to identify first-hand the best practices that can be applied in the PRC. The study tour will be held in ADB member countries that have expanded their local government bond markets since around 1990. The TA aims to improve investor

---

<sup>11</sup> “The rapid growth in Chinese local governments’ indebtedness and their inability to shoulder this burden have become a persistent concern to regulators and investors in recent years.” L. Xiaolei Liu et al. 2017. *Implicit Government Guarantee and the Pricing of Chinese LGFV Debt*. Beijing, p. 3.

<sup>12</sup> ADB. 2015. *Technical Assistance to the People’s Republic of China for Improving the Legal Framework for Securities and Futures Markets*. Manila.

<sup>13</sup> ADB. 2013. *Technical Assistance to the People’s Republic of China for Public Finance Development Strategy 2020*. Manila.

confidence, the efficiency of the investment process, bond structuring, project selection, and bond issuance and management of local governments. This will lower the risk premium and cost of local government borrowing and allow the issuance of bonds with longer maturities to better match investment needs.

10. **Output 2: Local governments' capability to structure and issue bonds expanded.** At least three local governments will be selected as pilot locales to receive detailed assessments. The assessments will focus on current and proposed bond structuring and issuance mechanisms, financial management capacity for bond debt, the viability of proposed bond issuance and links to funding needs, and knowledge of their credit capacity and issuer rating implications. The pilot locales will have abbreviated shadow ratings prepared and ratings' sensitivity analysis completed through peer comparisons. This will raise awareness that deepening a local government bond market is linked to (i) the fiscal health and discipline of the issuers and (ii) perceptions of the market by potential investors. The pilot locales preliminarily selected include a lesser-developed province (Sichuan Province), one of moderate development (Jiangsu Province), and one with high development (Shenzhen Municipality) being the most well-positioned to be of interest to foreign investors. In addition to the pilot assessments, other local governments and finance bureaus will be studied through surveys and outreach meetings. Output 2 will include training for local governments, finance bureaus, and the MOF to (i) introduce best practices in bond structuring and issuance mechanisms; (ii) learn how capital markets perceive creditworthiness; and (iii) discuss special purpose bonds, tenor extension of bond issuances, and the link between risk and pricing.

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

11. The TA is estimated to cost \$440,000, of which \$400,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The key expenditure items are listed in Appendix 2.

12. The government will provide counterpart support in the form of counterpart staff; domestic transportation to perform surveys and attend training, workshops, and conferences; access to data and document sources as needed; facilities for key meetings between the implementing agency and consultants; printing and distribution of project material; assistance in coordinating meetings; and other in-kind contributions.

### **D. Implementation Arrangements**

13. The MOF will be the executing agency. The Treasury Department of the MOF will be the implementing agency. The implementing agency will assign staff to a working group to support the TA and organize workshops, conferences, and the study tour. ADB will select, supervise, and evaluate consultants; and provide staff to act as resource persons in workshops and conferences if needed. One national firm will be recruited using quality- and cost-based selection with a 90:10 quality–cost ratio for the national consultant inputs.<sup>14</sup> ADB will engage consultants and carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. The implementation arrangements are summarized in the table.

---

<sup>14</sup> Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).



### Implementation Arrangements

| Aspects                          | Arrangements   |  |           |
|----------------------------------|--|--|-----------|
| Indicative implementation period | October 2018–October 2020  |  |           |
| Executing agency                 | Ministry of Finance  |  |           |
| Implementing agency              | Treasury Department of the Ministry of Finance   |  |           |
| Consultants                      | To be selected and engaged by ADB  |  |           |
|                                  | Individual: Individual selection   | International expert in local government bond markets (4 person-months)  | \$100,000 |
|                                  | Firm: Quality- and cost-based selection (90:10)  | National expert in local government finance and bond markets (5 person-months)<br><br>National expert in sub-sovereign credit ratings and bond markets (5 person-months) | \$90,000  |
| Disbursement                     | The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time). |  |           |

ADB = Asian Development Bank, TA = technical assistance.

Source: Asian Development Bank

#### IV. THE PRESIDENT'S DECISION

14. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$400,000 on a grant basis to the Government of the People's Republic of China for the Reform and Diversification of the Local Government Bond Market, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

| <b>Impact the TA is Aligned with</b>  |   |   |  |
|---|---|---|--|
| Quality of the environment for local government bond market issuance improved (13th Five-Year Plan for National Economic and Social Development of the People's Republic of China 2016–2020) <sup>a</sup> |   |   |  |
| <b>Results Chain</b>  | <b>Performance Indicators with Targets and Baselines</b>  | <b>Data Sources and Reporting Mechanisms</b>  | <b>Risks</b>   |
| <b>Outcome</b><br><br>Investor confidence in the local government bond market increased   | By 2020:<br><br>MOF distributes policy recommendations to all local governments and finance bureaus (2018 baseline: 0)  | MOF website <sup>b</sup>  | Government plans to reform local bond markets are delayed because of heightened market volatility or concerns over the volume of debt issuance |
| <b>Outputs</b><br><br>1. Local government bond issuance framework improved  | By 2020:<br><br>1a. At least four studies and reports prepared that identify the key impediments to diversifying the investor base of local government bond market issuers (2018 baseline: 0)<br><br>1b. Recommendations and framework prepared to guide the reform of local government bond issuance and its development going forward (2018 baseline: 0)<br><br>1c. Increased understanding of best practices in issuer credit ratings and bond structuring and issuance mechanisms by at least 30 participants (at least 8 female) who attend an international conference (2018 baseline: 0) | 1a. Consultants' reports<br><br>1b. Consultants' reports<br><br>1c. Consultants' reports and conference surveys | Reduction of implementing agency staff and disagreement among key stakeholders adversely affect willingness to implement framework             |
| 2. Local governments' capability to structure and issue bonds expanded  | 2a. Improved knowledge and understanding of best practices in issuer credit ratings and bond structuring and issuance mechanisms by at least 30 MOF and local government officials (at least 8 female) who attend training and national workshops (2018 baseline: 0)  | 2a. Consultants' reports and workshop and training surveys  |  |

| Results Chain   | Performance Indicators with Targets and Baselines  | Data Sources and Reporting Mechanisms   | Risks |
|---|--|---|-------|
|   | <p>2b. Pilot studies prepared to assess at least three local government bond issuers regarding their bond structuring, issuance and management practices, and shadow credit ratings (2018 baseline: 0)</p> <p>2c. Pilot study recommendations accepted by the MOF and local finance bureaus (2018 baseline: 0)</p> | <p>2b. Consultants' reports</p> <p>2c. Consultants' reports and MOF communication</p> |       |
| <b>Key Activities with Milestones</b>   |  |   |       |
| <p><b>1. Local government bond issuance framework improved</b></p> <p>1.1 Consultants fielded by October 2018.<br/> 1.2 Inception workshop held by November 2018.<br/> 1.3 First national workshop on local government bond management held by April 2019.<br/> 1.4 Study tour held by May 2019.<br/> 1.5 Interim report prepared by June 2019.<br/> 1.6 Surveys prepared on local and foreign investor bases by October 2019.<br/> 1.7 International conference on local government bond issuance held by December 2019.<br/> 1.8 Draft final report prepared by March 2020.<br/> 1.9 Second national workshop on local government bond management held by April 2020.</p> <p><b>2. Local governments' capability to structure and issue bonds expanded</b></p> <p>2.1 Consultants fielded by October 2018.<br/> 2.2 Workshop on bond structuring, issuance, and management and credit ratings held by July 2019.<br/> 2.3 Pilot reviews completed for three local governments by October 2019.<br/> 2.4 Training held for local governments, finance bureaus, and MOF by March 2020.<br/> 2.3 Final report prepared by July 2020.</p> |  |   |       |
| <p><b>Inputs</b></p> <p>ADB: \$400,000</p> <p>Note: The government will provide counterpart support in the form of counterpart staff; domestic transportation to perform surveys and attend training, workshops, and conferences; access to data and document sources; facilities for key meetings between the implementing agency and consultants; printing and distribution of project material; assistance in coordinating meetings; and other in-kind contributions.</p>  |  |   |       |
| <p><b>Assumptions for Partner Financing</b></p> <p>Not Applicable</p>   |  |   |       |

ADB = Asian Development Bank, MOF = Ministry of Finance.

<sup>a</sup> Central Committee of the Communist Party of the People's Republic of China. 2015. *13th Five-Year Plan for National Economic and Social Development of the People's Republic of China (2016–2020)*. Beijing.

<sup>b</sup> Ministry of Finance of the People's Republic of China. <http://www.mof.gov.cn/index.htm>

Source: Asian Development Bank.

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

| Item   | Amount       |
|--|--------------|
| <b>Asian Development Bank<sup>a</sup></b>                      |              |
| 1. Consultants   |              |
| a. Remuneration and per diem                                   |              |
| i. International consultant (4 person-months)                  | 100.0        |
| ii. National consultants (10 person-months)                    | 90.0         |
| b. Reports and communication <sup>b</sup>                      | 10.0         |
| 2. Seminars and conferences                                    |              |
| a. National workshops and training <sup>c</sup>                | 50.0         |
| b. International conference <sup>c</sup>                       | 35.0         |
| c. Research reports and field surveys <sup>d</sup>             | 55.0         |
| d. Study tour <sup>e</sup>                                     | 35.0         |
| 3. Miscellaneous administration and support costs <sup>f</sup> | 10.0         |
| 4. Contingencies   | 15.0         |
| <b>Total</b>   | <b>400.0</b> |

Note: The technical assistance (TA) is estimated to cost \$440,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of counterpart staff; domestic transportation to perform surveys and attend training, workshops, and conferences; access to data and document sources; facilities for key meetings between the implementing agency and consultants; printing and distribution of project material; assistance in coordinating meetings; and other in-kind contributions. The value of government contribution is estimated to account for 9% of the total TA cost.

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund (TASF-other sources).

<sup>b</sup> Includes translation and interpretation of key documents and reports of key meetings. May include costs for externally contracted translators or interpreters.

<sup>c</sup> Includes arrangement of venues; translation and interpretation for training, workshops, and conferences; honoraria and travel costs for resource persons. Specific budget and arrangements are subject to prior approval by ADB. In cases where an ADB staff member acts as a resource person, travel costs will be charged to the TA with prior agreement with the implementing agency.

<sup>d</sup> Includes domestic or international individuals, universities, or firms contracted to perform field studies and research.

<sup>e</sup> To be held in ADB member countries that have expanded their local government bond markets (e.g., selected countries in Europe, Asia or the United States) for maximum 5 staff.

<sup>f</sup> May include rental of video conference equipment and facilities and dissemination and translation of final report.

Source: Asian Development Bank estimates.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/LinkedDocs/?id=51025-001-TARreport>

1. Terms of Reference for Consultants