



# Technical Assistance Report

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Project Number: 39309  
September 2006

## Technical Training and Capacity Building for Selected ASEAN+3 Countries on Regional Economic and Financial Monitoring (Financed by People's Republic of China Regional Cooperation and Poverty Reduction Fund and the Japan Special Fund)

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
ASEAN	–	Association of Southeast Asian Nations
ASEAN+3	–	Association of Southeast Asian Nations plus People's Republic of China, Japan, and Republic of Korea
EWS	–	early warning system
FMP	–	Finance Ministers' Process
IMF	–	International Monetary Fund
NSU	–	national surveillance unit
OREI	–	Office of Regional Economic Integration
PRC	–	People's Republic of China
REFM	–	regional economic and financial monitoring
TA	–	technical assistance
IEWS	–	Vulnerability Indicators and Early Warning Systems

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	General intervention
<b>Sector</b>	–	Law, economic management, and public policy
<b>Subsector</b>	–	Economic management
<b>Themes</b>	–	Capacity development, sustainable economic growth, regional cooperation
<b>Subtheme</b>	–	Organizational development, promoting macroeconomic stability

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

1. Following the 1997–1998 Asian financial crisis, finance ministers of the Association of Southeast Asian Nations plus Japan, People’s Republic of China (PRC), and Republic of Korea (ASEAN+3) established economic review and policy dialogue to discuss regularly and exchange views on macroeconomic developments and policy issues in the ASEAN+3 region and individual member countries. They requested the Asian Development Bank (ADB) to provide technical assistance (TA) to strengthen the capacity of national and regional institutions involved. ADB responded with a three-pronged capacity-building effort: (i) supporting the establishment of national surveillance units (NSU) in selected ASEAN countries, (ii) providing training on regional economic and financial monitoring (REFM) at ADB headquarters for officers from finance ministries and central banks of selected ASEAN+3 countries<sup>1</sup>, (iii) strengthening the capacity of the ASEAN Secretariat in Jakarta. The third activity has been successfully concluded and the other two activities continue to be an important focus of ADB’s support to strengthen the capacity of ASEAN+3 countries to monitor their financial vulnerabilities. The first activity created data templates for economic and financial indicators in each NSU, and enhanced local skills for preparing national surveillance reports used for internal policy making and discussion in regional meetings under the ASEAN+3 finance ministers process (FMP). A new project to support REFM in selected ASEAN+3 countries was launched in January 2006 to continue the capacity building effort for NSU and similar government agencies.<sup>2</sup> Under the second activity, 164 mid-level government officials from finance ministries and central banks of selected ASEAN+3 countries completed an REFM training course lasting an average of 4–5 weeks, organized biannually at ADB headquarters in close cooperation with the ASEAN Secretariat. The effectiveness of these training programs<sup>3</sup> is reflected in the enhanced capacity of ASEAN+3 countries to prepare effective surveillance reports and analysis on regional economic and financial vulnerabilities discussed at the ASEAN+3 deputy finance ministers and ministers meetings. This TA report reflects the objectives, scope, cost estimates, financing plans, and implementation arrangements discussed with government agencies concerned during the regional workshops and fact-finding missions.<sup>4</sup> The TA framework is in Appendix 1.

## II. ISSUES

2. Given the effectiveness of these programs, ADB was asked to continue and strengthen its support for technical training and capacity building on REFM by expanding the scope of assistance to (i) cover senior management staff of ASEAN+3 finance ministries and central banks, and (ii) conduct related economic research work. Explicit requests were made at regional workshops for ASEAN+3 officials organized at the ASEAN Secretariat in Jakarta, Indonesia (April 2005); Manila, Philippines (November 2005); and Siam Reap, Cambodia (March 2006).<sup>5</sup>

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<sup>1</sup> Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, People's Republic of China, Philippines, Republic of Korea, Singapore, Thailand, and Viet Nam.

<sup>2</sup> ADB. 2006. *Technical Assistance for Strengthening Economic and Financial Monitoring in Selected ASEAN+3 Countries*. Manila.

<sup>3</sup> ADB. 1998. *Technical Assistance for Technical Training and Capacity Building in Support of the ASEAN Economic Surveillance Process*. Manila (TA 5827-REG, approved on 24 December); ADB. 2001. *Technical Assistance for Technical Training and Capacity Building in Support of the ASEAN Economic Surveillance Process, Phase II (Financed from the Japan Special Fund)*. Manila (TA 6019-REG, approved on 21 December); ADB. 2002. *Technical Assistance for Technical Training and Capacity Building in Support of the ASEAN Economic Surveillance Process Phase III*. Manila (TA 6071-REG, approved on 13 December); and ADB. 2004. *Technical Assistance for Technical Training and Capacity Building in Support of the ASEAN Economic Surveillance Process Phase IV*. Manila (TA 6201-REG, approved on 26 November).

<sup>4</sup> The TA concept paper was cleared on 3 October 2005. The TA first appeared in *ADB Business Opportunities* on 12 July 2006.

<sup>5</sup> (i) Workshop on Quantitative Methods for Economic and Financial Monitoring and Strengthening of National Surveillance Units in East Asia, jointly organized by ADB-ASEAN Secretariat-Ministry of Finance, Jakarta,

Requests to continue and strengthen assistance for REFM training programs were also received during several missions of ADB's Office of Regional Economic Integration (OREI) to the countries involved. As a relatively large number of ASEAN+3 officials have been trained under the REFM training program, ADB was requested to introduce an advanced executive training program on policy-related issues for senior management officials of ASEAN+3 finance ministries and central banks that are actively involved in (i) economic and financial monitoring, and (ii) vulnerability assessment and economic policy formulation. ASEAN+3 countries requested ADB to conduct research and prepare specific studies to provide the technical and analytical background necessary to conduct these training programs, especially the executive training for senior management staff.

3. The ASEAN+3 FMP includes several initiatives aimed at enhancing domestic and regional economic and financial cooperation efforts, including the Chiang Mai Initiative, Asian Bond Markets Initiative, Economic Review and Policy Dialogue, and Research Group. In addition, a Working Group on Economic and Financial Surveillance was created during the May 2006 Meeting of the ASEAN+3 finance ministers in Hyderabad, India. These initiatives and the new Working Group involve staff from finance ministries and central banks of the countries concerned, although the finance ministries usually take the lead in designing, planning, and implementing the process.

4. All these initiatives are related to regional economic surveillance. The REFM training program has been designed to support capacity building efforts in creating expertise among mid-level ASEAN+3 officials on regional economic surveillance. The first training program started in 1999. Since then, similar training programs (from 3 weeks to 3 months in duration) have been organized every 6 months. Currently, the course is structured into five modules (regional integration and cooperation, macroeconomic financial programming and economic policy, assessment of financial vulnerabilities, early warning systems, and selected topics on surveillance) over 5 weeks. Econometrics and statistics courses are also offered to strengthen the technical background of the trainees, and selected economic topics are analyzed and discussed in detail with distinguished scholars. The course content is updated regularly through close consultations with agencies involved and the ASEAN+3 Secretariat. About 12 trainees have been registered in each of the 13 groups that have completed the course to date. A total of 164 officials have graduated, a large percentage of whom continues to work for domestic public institutions in the area of REFM. Therefore, an extensive network of alumni has been established among ASEAN+3 countries, which facilitates further regional networking and close coordination with other domestic and regional projects funded by ADB.

5. As economic interdependence and financial cooperation among ASEAN+3 countries has been proceeding fast, the scope for dialogue and coordination has greatly increased among institutions across the region, such as finance ministries and central banks. Trainees that have completed the REFM course program at ADB have directly or indirectly supported this process. Interaction has been greatly facilitated among regional institutions, as individuals who attended the course are now familiar with similar technical subjects and are able in the largest majority of cases to establish effective and close interpersonal relationships due also to the presence of a supportive alumni network. The course has involved only mid-level officials but there is now scope for targeting senior managers on policy-related issues, as course graduates have moved

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Indonesia, 25–26 April 2005; (ii) Workshop on Operationalizing the Vulnerability Indicators and Early Warning System (VIEWS) Software for Economic and Financial Monitoring in East Asia: Sharing Experiences, ADB Headquarters, Manila, Philippines, 18–19 November 2005; and (iii) Workshop on Economic and Financial Monitoring in East Asia: The Way Ahead, jointly organized by ADB-ASEAN Secretariat-Ministry of Economy and Finance, Siam Reap, Cambodia, 5–6 March 2006.

to higher positions within their institutions and can receive further training. To widen the scope of training and include a program for senior management staff, proper analytical deepening is required through specific research activity. Therefore, enhancing the training program would require conducting research on issues related to surveillance and macroeconomic policy options for ASEAN+3 countries.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Impact and Outcome**

6. This TA aims to enhance the capacity of officials from ministries of finance and central banks of ASEAN+3 countries for (i) conducting effective economic and financial monitoring activities, and (ii) providing relevant inputs for economic policy making through technical training programs and related research activities. A first purpose of this TA is to train mid-level and senior officials from finance ministries and central banks of selected ASEAN+3 countries on various issues related to economic and financial monitoring, from a domestic and regional perspective. In addition, given the need to retrain some of the officials who have undergone training in a previous phase of this project and to strengthen the analytical and technical capacity of senior officials engaged with economic monitoring and policy making, a second purpose of this TA is to introduce an executive training program on economic policy-related issues for senior officials involved in national and regional economic surveillance and economic policy making. Lastly, given the importance of deepening the training programs and their content, this TA will also involve the preparation of specific issue studies and related research.

7. The overall impact of the TA is on improving technical capacities of staff from national economic and financial agencies in selected ASEAN+3 countries on monitoring activities. The TA outcome relates in particular to build capacities for finance ministries and central banks in REFM for mid-level officials and macroeconomic policy formulation for senior management staff. In addition, the TA will support the preparation of research and analysis on regional economic surveillance and macroeconomic policy options for ASEAN+3 countries.

#### **B. Methodology and Key Activities**

8. A 5-week technical course on REFM will involve about 60 mid-level officials from finance ministries and central banks of selected ASEAN+3 countries (footnote 1). This course will focus on developing the capacity to assess financial vulnerabilities and conduct economic and financial analysis using early warning system (EWS) models. The course will be divided into five parts. Part I (about 1 week) will introduce the course and discuss surveillance issues in the context of the theory and practice of regional cooperation and integration. During this first week, trainees will discuss recent economic trends in their countries. Reviews of statistics and econometrics are also offered to trainees. Part II will discuss issues related to macroeconomic financial programming and economic policies, with simulations of program scenarios. Part III will cover financial vulnerability assessment and leading indicators in detail. Part IV will introduce and analyze EWS models, including the Vulnerability Indicators and Early Warning Systems (VIEWS) model developed by OREI. Part V will discuss selected topics related to economic surveillance, including global payments imbalances and issues related to monetary policies. ADB staff and consultants will conduct the course. The mid-level officials who will attend this course will be selected from ASEAN+3 finance ministries and central banks and the ASEAN Secretariat. Participants are expected to have the following minimum qualifications:

- (i) a bachelor's degree (or the equivalent) in economics, statistics, or finance from a recognized university, and preferably a postgraduate qualification in the same field;

- (ii) at least 5 years of relevant professional work experience, with a strong background in economic and statistical analysis;
- (iii) fluency in written and spoken English; and
- (iv) currently working in a department undertaking surveillance work.

9. The executive training program for senior management staff of ASEAN+3 finance ministries and central banks will analyze policy-related issues concerning REFM. The program will focus on, but not be limited to, the following three issues: (i) assessment of domestic and regional financial vulnerabilities; (ii) formulation of monetary and exchange rate policies; and (iii) fiscal policies for stability and growth. The modules will be delivered at ADB headquarters or at more convenient venues, should participants be required to attend regional meetings elsewhere. Each module may require the participation of different individuals from the same institution. About 20–25 individuals will participate in each module—one from each institution concerned. Each module will last for 2 days and will be tentatively structured as follows: (i) Day 1 morning—introduction of policy issues and research findings; (ii) Day 1 afternoon—specific case studies on ASEAN+3 countries; (iii) Day 2 morning—issue-specific case studies; and (iv) Day 2 afternoon—development of an analytical regional framework. ADB staff and consultants may deliver each module of the program in partnership with relevant regional research centers.

10. Research activities and analysis on regional economic surveillance and macroeconomic policy formulation for ASEAN+3 countries will be done in close collaboration with the ASEAN+3 Research Group. Research activities will be conducted by ADB staff and international consultants, depending on the research topic. The research outcome will be disseminated to ASEAN+3 countries and the public, as appropriate.

11. The TA activities will expose trainees to economic and financial data systems; emerging data standards; EWS and macroeconomic models; methods of policy analysis; how to achieve financial stability, and the implications of monetary, exchange rate, and fiscal policies. These activities will help develop the technical skills and practical experience needed to sustain and support full understanding and ownership of issues related to REFM. Although participation in this training program will be open to all ASEAN+3 countries, it is expected that some countries participate to a higher degree. The capacity to conduct economic and financial monitoring in countries such as Brunei Darussalam, Cambodia, Lao People's Democratic Republic, and Myanmar—and, to a lesser extent, the PRC and Viet Nam—is still relatively weak. Thus, there may be a large number of mid-level officials from these countries participating in the training program as they may require particular support. The executive training program for senior officials and research activities will most likely involve most of the ASEAN+3 countries.

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

12. The total cost of the TA is estimated at the equivalent of \$980,000, of which the equivalent of \$500,000 will be financed by the People's Republic of China Regional Cooperation and Poverty Reduction Fund, funded by the Government of the PRC, and the equivalent of \$400,000 will be financed by the Japan Special Fund, funded by the Government of Japan. The TA will be financed on a grant basis and will be administered by ADB. The ASEAN Secretariat and governments of participating ASEAN+3 member countries will provide counterpart support, including salaries of participating staff from government agencies for the duration of the training programs, estimated at \$80,000. The detailed cost estimates and proposed financing plan are in Appendix 2.

#### **D. Implementation Arrangements**

13. ADB will be the TA Implementing and Executing Agency, in close collaboration with the ASEAN Secretariat, relevant ASEAN+3 finance ministries and central banks, and ADB regional departments as in previous REFM training courses. REFM courses' trainees will coordinate closely with OREI during the training period at ADB headquarters in Manila. The TA will be carried out over 17 months starting in August 2006 and is expected to be completed by December 2007. ADB will provide other resources needed for routine operations.

14. National and international consultants as well as resource persons will be engaged as individuals for delivering the training programs and preparations of research output. The terms of reference for consultants and resource persons are in Appendix 3. National consultants will be engaged to (i) coordinate for the revision, planning, and implementation of the REFM course; and (ii) facilitate its logistic arrangements and organization, including day-to-day assistance to the trainees. To deliver the REFM training course, one international consultant and five national consultants will be engaged. The international consultant will have solid experience in macroeconomics and financial programming, including experience in teaching these and related subjects to government officials. The five national consultants will be expert in the following fields: (i) Microsoft Excel; (ii) statistics and econometrics; (iii) financial crises and financial stability assessment; (iv) macroeconomics, including trade, investment, and global payments imbalances; and (v) VIEWS. For this course, ADB will provide round-trip economy airfare, per diem, hotel accommodation, and miscellaneous travel expenses for the trainees, plus training material and logistics. Three well-known macroeconomists will be engaged as resource persons to deliver the modules on financial stability assessment, monetary and exchange rate policy, and fiscal policy under the executive training program for senior government officials. ADB will provide round-trip business airfare, per diem, hotel accommodation, and miscellaneous travel expenses for the trainees, plus training material and logistics for organizing the modules. Three to five resource persons and/or international consultants will be engaged to conduct economic research in close collaboration with the Research Group established under the ASEAN+3 FMP. Selection and individual engagement of consultants and resource persons will follow ADB's *Guidelines on the Use of Consultants*. National consultants will be engaged for 30 person-months and international consultants for 15 person-months. Participation in all TA activities will be on a voluntary basis. During the training periods, the trainees' salaries will continue to be met by their respective governments. Trainees will not be employees of ADB. Any privileges and immunities that the Government of the Philippines may grant to trainees will be a matter for negotiation between the governments concerned and the Government of the Philippines.

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

15. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$500,000 to be financed on a grant basis by the People's Republic of China Regional Cooperation and Poverty Reduction Fund and (ii) ADB providing the balance not exceeding the equivalent of \$400,000 on a grant basis, for Technical Training and Capacity Building for Selected ASEAN+3 Countries on Regional Economic and Financial Monitoring, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b></p> <p>Enhancing ASEAN+3 finance ministry and central bank officials' capacity to conduct effective economic and financial monitoring, and providing relevant inputs for macroeconomic policy formulation</p>	<ul style="list-style-type: none"> <li>• Quality of domestic and regional reports on economic outlook, financial stability assessment, and economic and financial monitoring prepared by ASEAN+3 finance ministry and central bank staff</li> <li>• Quality of economic policies adopted by ASEAN+3 countries</li> <li>• Quality of research output on economic and financial monitoring and economic policy formulation in support of the ASEAN+3 Research Group</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings under the ASEAN+3 finance ministers' process (FMP) where economic and financial developments are reviewed and discussed</li> <li>• Feedback from the ASEAN Secretariat and individual country agencies</li> <li>• Individual countries' economic policies</li> <li>• Occasional assessments by the International Monetary Fund and other international agencies</li> <li>• Regular monitoring by ADB staff</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• ASEAN+3 members continue to support the ASEAN+3 FMP</li> <li>• Finance ministries and central banks continue to nominate staff for training, and use the output of the training program for economic analysis and policy making</li> <li>• Countries' interest in the ASEAN+3 FMP activities on REFM is sustained</li> </ul>
<p><b>Outcome</b></p> <p>Strengthening the institutional and technical capacities of finance ministries and central banks in ASEAN+3 countries to discharge their responsibilities for economic and financial monitoring, and their capacity to formulate effective economic policies through enhanced regional cooperation under the ASEAN+3 FMP</p>	<ul style="list-style-type: none"> <li>• Proficiency of ASEAN+3 finance ministry and central bank staff in economic and financial monitoring and macroeconomic policy formulation</li> <li>• Quality of economic and financial reports prepared by staff of ASEAN+3 finance ministries and central banks, and their level of technical and administrative knowledge available</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback from ASEAN+3 finance ministries and central banks</li> <li>• Feedback from the ASEAN Secretariat and outcome of meetings under the ASEAN+3 FMP where economic and financial monitoring issues are discussed</li> <li>• ADB staff review missions</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• ASEAN+3 countries will nominate appropriate staff to participate in the training programs</li> <li>• Trainees are genuinely interested in and can commit their time to attend the training programs</li> <li>• Participants will work individually and as a team to effectively implement the ASEAN+3 FMP</li> </ul>
<p><b>Outputs</b></p> <p>1. Approximately 60 ASEAN+3 mid-level staff from finance ministries and central banks trained in REFM</p>	<ul style="list-style-type: none"> <li>• Length and quality of technical training provided</li> <li>• Number and level of staff trained</li> </ul>	<ul style="list-style-type: none"> <li>• Number of trainees and their feedback on completion of the training programs</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Proper mid-level staff is nominated to attend the training programs</li> <li>• Senior executive staff participate in the training</li> </ul>

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>2. ASEAN+3 senior executive staff of finance ministries and central banks trained in economic policy</p> <p>3. Activities of the ASEAN+3 FMP's Research Group sustained and complemented through research on economic and financial monitoring, and macroeconomic policy formulation</p>	<ul style="list-style-type: none"> <li>• Enhancement of the level of discussion on regional and national economic policy issues</li> <li>• Increased level of collaboration among ASEAN+3 countries on issues related to economic surveillance and policy formulation</li> <li>• Quantity and quality of research output on surveillance and economic policy formulation in support of the ASEAN+3 FMP's Research Group</li> </ul>	<ul style="list-style-type: none"> <li>• Specific training material available at ASEAN+3 finance ministries and central banks</li> <li>• Review of reports on economic and financial monitoring and macroeconomic policies adopted by participating countries</li> <li>• Number and quality of training programs organized, quality of discussion, and attendance by relevant ASEAN+3 officials and experts</li> <li>• External reviews of the effectiveness of the training programs</li> </ul>	<ul style="list-style-type: none"> <li>• Consultants and resource persons are recruited in a timely manner and provide effective training</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• High turnover ratio in local public institutions</li> <li>• External economic and financial shocks may divert participating countries' attention from surveillance activities and regional economic policy coordination</li> </ul>
<p><b>Activities with Milestones</b></p> <ol style="list-style-type: none"> <li>1. Design, plan, and organize three training courses (5 weeks each) for mid-level officials on REFM to be delivered at ADB headquarters every 6 months starting in the second half of 2006</li> <li>2. Design, plan, and organize three modules of a training program for senior managers on macroeconomic policy formulation: (i) fiscal stability assessment, (ii) monetary and exchange rate policy, and (iii) fiscal policy</li> <li>3. Research issues of REFM and economic policy formulation</li> <li>4. Administrative and technical support to organize the training programs</li> </ol>		<p><b>Inputs</b></p> <p>ADB</p> <ul style="list-style-type: none"> <li>• 15 person-months of international consulting services, including airfare and per diems: \$390,000</li> <li>• 30 person-months of national consulting services, including travel: \$140,000</li> <li>• 4-6 person-months of resource persons' services, including airfare and per diems: \$60,000</li> <li>• 60 trainees' accommodation and per diems for 5 weeks, and international travel: \$150,000</li> <li>• 60 trainees' accommodation and per diems for 2 days, and international travel: \$70,000</li> <li>• Total cost, including contingencies: \$900,000</li> </ul> <p>Government</p> <ul style="list-style-type: none"> <li>• Remuneration of participants in training programs: \$80,000</li> </ul>	

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, ASEAN+3 = Association of Southeast Asian Nations plus People's Republic of China, Japan, Republic of Korea, and FMP = Finance Ministers' Process, REFM = regional economic and financial monitoring.

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

Item	Total Cost
<b>A. Asian Development Bank (ADB) Financing<sup>a</sup></b>	
1. Consultants	590.0
a. International Consultants	350.0
b. National Consultants	140.0
c. Resource Persons	40.0
d. International and Domestic Travel	60.0
2. Training Programs	220.0
a. Travel, Per Diem, and Accommodation of Participants	180.0
b. Venues and Logistics	20.0
c. Miscellaneous Administration and Support Cost	20.0
3. Contingency	90.0
<b>Subtotal (A)</b>	<b>900.0</b>
<b>B. Selected ASEAN+3 Government Financing</b>	
1. Remuneration of Participants in Training Programs	80.0
<b>Subtotal (B)</b>	<b>80.0</b>
<b>Total</b>	<b>980.0</b>

ASEAN+3 = Association of Southeast Asian Nations plus People's Republic of China (PRC), Japan, and Republic of Korea.

<sup>a</sup> Financed by the PRC Regional Cooperation and Poverty Reduction Fund (\$500,000) funded by the Government of the PRC, and by the Japan Special Fund (\$400,000) funded by the Government of Japan. Funding from the PRC and Japan will be administered by ADB.

Source: ADB estimates.

## **OUTLINE TERMS OF REFERENCE FOR CONSULTANTS**

1. The technical assistance (TA) will provide services from international consultants, national consultants, and resource persons. International consultants will mainly assist in (i) delivering the training program for mid-level officials from Association of Southeast Asian Nations plus Japan, People's Republic of China, and Republic of Korea (ASEAN+3) finance ministries and central banks on regional economic and financial monitoring (REFM); and (ii) producing research outputs on surveillance and economic policy formulation in support of the Research Group established under the ASEAN+3 Finance Ministers Process (FMP). National consultants will facilitate the planning, design, revision, and delivery of training programs, including assistance in administration and logistics, as needed. Resource persons will mainly facilitate the planning, design, and delivery of the training programs on policy-related issues for senior management staff of finance ministries and central banks of ASEAN+3 countries.

### **A. International Consultants—Macroeconomists (4–6 consultants, 15 person-months)**

2. One international consultant will be engaged to facilitate the REFM training program. He/she will have solid experience in macroeconomics and finance, including teaching these and related subjects to government officials of various backgrounds in a short course or workshop. The consultant will be engaged for 2 weeks for each training program to facilitate Part II (financial programming and economic policies), including (i) macroeconomic stabilization; (ii) financial programming and the real sector, external sector, fiscal sector, and monetary sector; (iii) macroeconomic interrelations; (iv) flow of funds and baseline projections; (v) macroeconomic policy; (vi) financial program design; and (vii) program scenario.

3. Three to five resource persons and/or international consultants will be engaged to conduct the research activities on macroeconomic policy formulation and economic and financial monitoring to be done in close collaboration with the Research Group established under the ASEAN+3 FMP. The topic of research and related expertise of international consultants will be decided on a case-by-case basis in close coordination with the Research Group under the ASEAN+3 FMP.

### **B. National Consultants—Technical Assistants (5 consultants, 30 person-months)**

4. Five national consultants will be engaged in the Philippines for short periods during the REFM courses to assist in delivering the training program. These national consultants will be experts in (i) Microsoft Excel; (ii) statistics and econometrics; (iii) financial crises and financial stability assessment; (iv) macroeconomics, including trade, investment, and global payment imbalances; and (v) vulnerability indicators and early warning systems. One or two other national consultants will be engaged for longer periods to assist in organizing the training programs, including administration and logistics.

### **C. Resource Persons (3–5 consultants, of 4–6 person-months)**

5. Three well-known macroeconomists will be engaged as resource persons to deliver the three modules of the executive training program for senior government officials: (i) domestic and regional financial stability assessment, (ii) monetary and exchange rate policy, and (iii) fiscal policies for stability and growth. These consultants will work in close collaboration with Asian Development Bank staff in preparing specific material for delivering their modules, including drafting issue briefs on their respective sections.