

ASIAN DEVELOPMENT BANK

TAR: STU 38233

TECHNICAL ASSISTANCE
(Financed by the Japan Special Fund)

FOR THE

SOUTHEAST ASIA WORKERS' REMITTANCE STUDY

December 2004

ABBREVIATIONS

ADB	–	Asian Development Bank
GDP	–	gross domestic product
IADB	–	Inter-American Development Bank
IMF	–	International Monetary Fund
NGO	–	nongovernment organization
TA		technical assistance
UN	–	United Nations
US	–	United States

TA CLASSIFICATION

Targeting	General Intervention
Classification	
Sector	Finance
Subsector	Finance sector development
Theme	Sustainable economic growth, governance, and regional cooperation

NOTE

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

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I. INTRODUCTION

1. In 2003, the Asian Development Bank (ADB) began examining workers' remittances in the context of Philippine operations, with a general overview study,¹ followed by the recently completed technical assistance (TA) 4185² which mainly studied bilateral flows from the United States (US) and Singapore to the Philippines. For many developing countries, overseas workers' remittances are an important source of funds, and a large amount is transferred through a variety of official and unofficial mechanisms. Building on this work, the proposed TA will examine remittance fund flow from a regional perspective to encourage (i) increased remittances, and (ii) use of formal sector channels for fund transfer. The region's countries requested ADB to undertake such a study. Its design, to be supported by a regional technical assistance (RETA), and the concerned jurisdictions' preparedness to participate in the RETA activities, have been confirmed. Appendix 1 contains the TA framework.³

II. ISSUES

2. Official remittances of migrant workers from South Asia, Southeast Asia, and the Pacific accounted for 34% of the global total of \$80 billion; estimates are that half as much also flows through informal channels. The World Bank's *Global Development Finance 2003*⁴ states that remittances are now the second largest source of external funding for developing countries, next only to foreign direct investments. Although the recent International Monetary Fund (IMF) analytical study⁵ questions it as a useful and reliable tool to support economic growth, remittance is one of the least volatile sources of foreign currency, and already accounts for a significant portion of many recipient countries' gross domestic product (GDP). For instance, migrant workers' remittances through official channels to the Philippines and Sri Lanka are 8.9% and 7.0% of their respective GDPs in 2003. However, little is known about actual fund flow, including "informal flows" between the countries or the factors driving choice of remittance channels. For example, officially recorded workers' remittances from Japan to the Philippines are less than that from Japan to Malaysia although registered Filipinos outnumber registered Malaysians 10 to 1.

3. Overseas remittances have helped countries strengthen their balance of payments and the workers' family members, who are often poor, have benefited from these flows. However, there are few concerns, which, if addressed, will maximize development impact of remittances flow. First, making fund transfer easier and cheaper could attract larger flows. Second, directing flows from consumption to productive investment would help ensure more sustainability and effective use of flows. Third, shifting such financial flows from informal to formal channels would reduce the risk of money laundering.

4. In the past few years, the Inter-American Development Bank (IADB) commissioned studies on remittance, which led to linking remittance-leveraging activities with funding support from IADB's Multilateral Investment Fund. The Global Commission on International Migration,

¹ ADB initiated a general review study of workers remittance (Meilyn, Kevin. 2003. *Workers Remittances as a Development Tool: Opportunity for the Philippines*. Manila: ADB.) The study was shared with the APEC Working Group on Alternative Remittance Systems in July 2003.

² ADB. 2003. *Enhancing the Efficiency of Overseas Workers' Remittances*. Manila (TA 4185-PHI, for \$150,000, approved on 26 September 2003). The final report is available at <http://adbweb/documents/TARs/PHI/tar-phi-4185.asp>

³ The TA first appeared in the Internet edition of *ADB Business Opportunities* on 4 June 2004.

⁴ World Bank. 2003. *Global Development Finance 2003*. Washington, DC.

⁵ Chami, Ralph, Connel Fullenkamp, and Samir Jahjah. 2003. *Are Immigrant Remittance Flows a Source of Capital for Development*. IMF Working Paper No. 03/189, IMF Institute. Washington, DC.

formed under the auspices of the United Nations (UN), is conducting a scoping study of the many wide-ranging migration issues, including remittances, culminating in a set of findings and an action framework for UN member countries to consider in 2005. The first set of consultations with stakeholders in Asia was held in Manila on 17 and 18 May 2004. Although cross-border remittance has gained greater attention in the global society in recent years, the related study and statistical data of such flows in Southeast Asia are still lacking.

5. Informal unregulated money transfer systems have existed for centuries. The key features, which attract many remitters to choose informal remittance channels, include speed, low cost, cultural convenience, versatility, and anonymity.⁶ The study and monitoring of unregulated money transfer systems have been challenging due to, for example, lack of transparency or audit trails or difficulty of interpreting informal remittance records. The earlier TA survey confirmed that the remittance channels patronized by Filipino overseas workers differ by country of work as well as by their living and working environment. Noticeable alternative remittance channels to banks such as money transfer agencies and post offices were used in the US and Japan, respectively. The study suggested that about 41% of Filipino workers in Japan chose to remit funds through remittance channels other than banks.

6. In analyzing remittance fund flow, typically, there is a need to examine migrant workers' access to various remittance channels both in the country where migrant is employed and in the country where the remittances are transmitted. Also, there is a need to study costs and efficiency of remittances and availability of financial institutions or fund transfer agents, to receive funds that were sent to them by the migrant workers. Official fund transfer mechanisms have innovations such as ATM cards, credit cards and the use of cellular phones. International document courier companies also facilitate official fund transfer. Little is known, however, about the organizations and agencies involved in informal remittance and access to them. Analyzing remittance issues is important because remittance can potentially support microfinance projects or other poverty reduction programs.

7. In the recent ADB Philippine remittance study, survey results indicated that a high percentage (80%) of Filipino remitters regularly channel their remittances, averaging \$340 a month, through the banking or regulated channels. Sending through unregulated channels has been reduced, and these are accessed mostly by workers where banking channels are inadequate or who have irregular status. The study revealed that developments in the remittance industry allowed for vibrant competition in the remittance market between the Philippines and remitting countries. With the help of technology and marketing, coupled with reliable image, banks have managed to reduce costs to levels that may be considered competitive with informal channels. These costs could still be pushed down with the entry of more regulated channels and new technology-based products.

8. The study concluded that bank and nonbank remittance procedures and remittance costs are affected significantly by legal, banking, and regulatory environments in the Philippines and the remitting countries, formal and informal transfer agencies, Philippine payment systems, anti-money-laundering issues, taxation, and other concerns. Recommendations focused on enhancing key areas—government systems, community-based financial institutions such as rural banks, cooperatives and microfinance institutions, Filipino hometown associations, and nongovernment organizations where remittance-leveraging initiatives could be based. Access to investment programs, savings mobilization, credit access, enterprise development, and

⁶ El Qoorchi, Mohamed, Samuel Munzele Maimbo, and John Wilson. 2003. *Informal Funds Transfer Systems, An Analysis of the Informal Hawala System*. Occasional Paper 222. Washington, DC: IMF.

reintegration programs could facilitate reintegration of returning migrants into the work force. The predictable flows of more than \$7 billion per annum from Filipino workers' remittances could be securitized for development initiatives such as funding of public infrastructure and agricultural facilities, among others. Migrant origin and host countries are key stakeholders in labor migration and should address remittance and migration issues through bilateral initiatives within the ambit of regional economic groupings such as the Association of Southeast Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC).

9. The measures to address various negative aspects of the fund transfer are expected to be pursued at the country and regional levels. In Indonesia, remittances are being carefully examined in relation to ADB's continued support to the country's anti-money-laundering efforts, and more broadly in the context of overall financial sector reform. ADB is keenly concerned about the movement of Southeast Asian migrant workers, particularly along the south-south corridors—from Indonesia to Singapore and Malaysia, or from the Philippines to Malaysia and Singapore. The regional cooperation strategy and program will address labor movement and related movement of money through remittances.

III. THE TECHNICAL ASSISTANCE

10. The proposed study would build on TA 4185 and bring the issue of remittances and consideration of appropriate actions to the regional level. Based on data on major movements of workers and remittances, it is proposed that the study cover Indonesia, Malaysia and Philippines as the remittance recipient countries; and Hong Kong, China; Japan; Malaysia; and Singapore as the source jurisdictions of remittance outflow. Malaysia is peculiar as it is both source and recipient country, receiving large inflows from Japan and Singapore while hosting a large number of Indonesian and Filipino workers, who send money home. Remittance fund flow and the factors affecting how people remit funds vary substantially.

A. Purpose and Output

11. The goal of the TA is to identify ways and means to encourage (i) large remittance flows and the effectiveness of its use; and (ii) greater use of formal remittance channels. The purpose of the TA is to identify factors in the policy, regulatory, and institutional framework that have an impact on these flows, and propose action plans that can be implemented at the country and regional levels to encourage greater remittance fund flow and its formal channeling. The TA will examine (i) estimated movement of remittances through formal and informal channels; (ii) host country and home country issues; and (iii) existing remittance channels, including the factors affecting people's choice of remittance methods, and the regulatory aspects of remittance channels. The recommendations will be discussed at a regional workshop to confirm that they can be implemented.

12. The study is proposed to comprise the following components: (i) examination of the actual and estimated remittance flows through formal and informal channels; (ii) consideration of host country issues; (iii) consideration of home country issues; (iv) examination of the existing remittance channels, formal and informal, including their costs, accessibility, and other factors; (v) examination of the regulatory aspects relating to remittances in source and recipient countries; and (vi) formulation of the regional action plans to reduce costs and to address other factors that may discourage people from remitting funds through formal channels.

B. Methodology and Key Activities

13. The methodology of the study will include a combination of (i) desk studies and reviews of relevant legal regulations in the participatory countries; (ii) market research (of factors affecting the choice of remittance channels, amount of remittances in relation to income, and satisfaction in choice of remittance channels) in the form of interviews and focus group discussions with overseas workers and their families, government authorities, financial institutions, and nongovernment organizations (NGOs); (iii) a study of successful programs implemented in comparable countries; and (iv) economic research of relevant key financial/economic measures. The TA's methodology will be harmonized with other organizations' to enable a wide comparison; the study will take full advantage of the investigative and analytical efforts made by other institutions. The TA will draw support from key government agencies, overseas workers' associations, financial institutions, and other relevant organizations and institutions involved in fund transfer. The TA will consult local NGOs and hometown associations that may have established linkages with the institutions/organizations involved in the home country issues as well as in helping recipients make the most effective use of their funds, and learn innovative ways of linking overseas workers' remittances to microfinance activities.

14. The study will require analyses of (i) relevant laws and regulations, including the international agreements signed between the remitting and receiving jurisdictions; (ii) financial sector issues such as the availability of banking services, particularly in rural areas; (iii) formal remittance channels to identify means to improve the reliability, speed, and cost of remittance flows; (iv) financing tools (such as securitization of remittance flows) to better leverage remittances; (v) lessons from mobilization of savings arising from remittances; and (vi) economic and sociocultural incentives that drive the remitter and recipient to channel remittances into productive investments.

C. Cost and Financing

15. The total cost of the TA is estimated at \$500,000 equivalent. ADB will finance the entire estimated cost of the TA without explicit counterpart provision.⁷ However, each participating jurisdiction is expected to help implement the TA by providing assistance, as well as by facilitating the collection of information and data that may already be available within the government. The TA will be financed by ADB on a grant basis from Japan Special Fund, financed by the Government of Japan. The TA will cover the costs of engaging consulting services (remuneration, per diem, and travel) and preparing study reports. The TA will also finance a regional workshop or seminar to disseminate major TA findings and output and to confirm the implementability of proposed recommendations and action plans. The detailed cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

16. ADB will be the Executing Agency for the TA and will administer the TA study. With the assistance of a team of consultants, ADB staff will work with government agencies, business communities, and research institutions in implementing the TA. The TA will be implemented over 8 months, from December 2004 to August 2005. The consulting services for the study will consist of two international consultants (total 8 person-months), consisting of (i) a remittance

⁷ Operations Manual Section D12/BP, paragraph 36, states: "the cost sharing policy is not applicable to RETA and small scale technical assistance."

and development specialist, who will act as the consulting team leader (6 person-months); and (ii) a banking, financial, and legal regulatory specialist (2 person-months, intermittent). In each participating jurisdiction (Hong Kong, China; Indonesia; Japan; Malaysia; Philippines; and Singapore), country-specific study team leaders will be engaged for a total of 31 person-months, comprising legal, financial, banking, and market research expertise. The in-country consultant may not necessarily have the market research skills as a primary qualification, but rather the ability to manage a team of sub-consultants to perform the market research. Such national team leaders can be nationals of the jurisdiction, or expatriate, as may be appropriate, but they will have an excellent understanding of local conditions and communities.

17. The consultants will be engaged as individuals by ADB in accordance with *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. In consultation with the remittance and development specialist (international study team leader) and ADB staff, each country study team leader will engage field researchers and a few experts to implement the country study. The international study team leader will convene a meeting of the national study team leaders upon their engagement to ensure consistency in country- and jurisdiction-specific study approaches. The TA will provide for the engagement of a senior-level administrative assistant to help the international team leader and ADB coordinate six national-level study teams and conduct various administrative work relating to TA implementation. The outline terms of reference for the consultants are in Appendix 3. All procurement of equipment and materials, and service payments under the TA will be in accordance with ADB's *Guidelines for Procurement*.

18. Control points will be established during TA implementation, and TA outputs will be reviewed and approved by ADB and the participating countries. The consultant team will submit an inception report to ADB within 4 weeks of the start of service, assuming that the first meeting of the national team leaders and international experts has been completed by that time. The inception report will (i) focus on an initial assessment and prepare a realistic plan for subsequent action to ensure that the required TA outputs are completed on time; and (ii) make adjustments, as appropriate, in other key issues affecting the realization of the TA objectives. These will be identified through consultation with government agencies and business representatives. Interim reports will be submitted to ADB by the end of February 2005 and of April 2005. A draft final report by the consultant team will be completed in May 2005. A regional workshop or seminar will be organized and conducted by the coordinating international consultant to validate the study findings and confirm the implementability of the recommendations and action plans. The draft final report is expected to be available for discussion and consultation during the regional workshop or seminar. Consultative meetings will be conducted during TA implementation. The final TA reports will be completed by the end of July 2005.

IV. THE PRESIDENT'S DECISION

19. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis for the Southeast Asia Workers' Remittance Study, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Establish ways and means to encourage (i) larger remittances, and (ii) greater use of formal remittance channels</p>	<p>Reliability of projections of the magnitude of actual fund flow</p> <p>Number of formal and informal channels used</p>	<p>Acceptance by the international community of the study's estimate of the magnitude of fund flow</p> <p>Adoption of proposals made by governments and financial institutions</p>	
<p>Purpose</p> <p>Identify factors in the policy, regulatory, and institutional framework that have an impact on remittance flows</p> <p>Propose country and regional action plans to encourage remittance fund flow and its channeling through formal means</p>	<p>Consistent activities of remittances sent and received</p> <p>Action plans considered by governments</p>	<p>Comprehensive study on the (i) movement of remittance through formal and informal channels; (ii) remittance issues in the remitting countries and recipient countries; and (iii) economic, policy, institutional and regulatory factors affecting choice of remittance method</p> <p>Workshop records and recommendations</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> • All stakeholders are interested in and support cooperating with the TA study. • Participating governments are committed to providing adequate support. <p>Risk:</p> <ul style="list-style-type: none"> • All stakeholders are not interested in and do not support cooperating with the TA study. • Participating governments are not committed to providing adequate support.
<p>Outputs</p> <p>Provide data on estimated fund flow in the region through formal and informal channels</p> <p>Propose specific measures to increase fund flow</p> <p>Recommend essential</p>	<p>Comprehensive data on fund flow in the region is presented in the TA reports.</p> <p>Issues and factors affecting selection of fund flow channels are</p>	<p>Feedback on the proposals, from stakeholders such as governments authorities, families of overseas workers, local communities, banking and microfinance units</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> • The TA inception report, interim reports, draft final report, and final report are of high quality and submitted on time.

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Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>requirements for bilateral agreements</p> <p>At the regional and international levels, recommend ways to reduce costs of remittance</p> <p>Recommend ways to make formal channels more attractive</p> <p>Consult with local NGOs and hometown associations that may have established linkages with institutions/organizations involved in the home country issues as well as in helping recipients make the most effective use of their funds</p>	<p>identified.</p> <p>A realistic strategy and action plan to increase remittance flows through the formal channels are drawn up.</p>	<p>ADB staff mission reviews and peer review of study reports</p> <p>Consultants' final report and workshop report</p>	<ul style="list-style-type: none"> • Study findings are plausible and action plans and recommendations are realistic. • Coordination is good in the consultant team and between the team and stakeholders. <p>Risks:</p> <ul style="list-style-type: none"> • Delay in submission of reports. • Study findings are not plausible and action plans and recommendations are unrealistic. • Poor coordination among consultant team and stakeholders.
<p>Activities</p> <p>Review remittance flows from overseas workers from Hong Kong, China; Indonesia; Japan; Malaysia; Philippines; and Singapore</p> <p>Analyze relevant laws and regulations of the remitting and receiving countries</p> <p>Identify financial sector issues such as availability of rural banking services</p> <p>Consult concerned stakeholders, and conduct field visits and empirical analysis</p> <p>Evaluate formal remittance channels to identify means to improve their reliability, speed,</p>	<p>Acceptance of inception report 2 weeks after the start of TA services</p> <p>Field visits and regional workshops or seminars</p> <p>Acceptance of consultants' interim reports</p> <p>Acceptance of consultants' draft final and final report</p> <p>Significance and relevance of study findings and recommendations</p> <p>Regional workshop or seminar before June 2005</p>	<p>Work plans and terms of reference</p> <p>Semimonthly TA progress briefings</p> <p>TA inception report</p> <p>ADB staff review on various draft reports</p> <p>Coordination with government authorities and stakeholders</p> <p>ADB staff review mission</p> <p>ADB staff participation in the regional workshop</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> • Qualified consultants are available. • Data are available and research findings are relevant. • ADB staff supervision is appropriate. • Consultants follow the schedule in their terms of reference. • Stakeholders agree on the recommendations.

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Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>and cost</p> <p>Identify financing tools to better leverage remittances</p> <p>Prepare lessons from mobilization of savings arising from remittances</p> <p>Form the economic and sociocultural incentives that drive remittances into productive investments</p> <p>Conduct a regional workshop to disseminate the TA findings and confirm that recommendations can be implemented</p>			<ul style="list-style-type: none"> • Host governments and the communities are amenable to the recommendations. <p>Risks:</p> <ul style="list-style-type: none"> • Qualified consultants are not available. • Data are not available and research findings are not relevant. • ADB staff supervision is inappropriate. • Consultants do not follow the schedule in their terms of reference. • Stakeholders do not agree on the recommendations. • Host governments and the communities are not amenable to the recommendations.
<p>Inputs</p> <p>Consulting services: 8 person-months of international consultants, and 31 person-months of country-level study team leaders</p> <p>Regional workshop or seminar</p> <p>Consultations</p> <p>Administrative and support</p> <p>Contingencies</p> <p>Staff time</p>	<p>\$394,000</p> <p>\$ 30,000</p> <p>\$ 10,000</p> <p>\$ 20,000</p> <p>\$ 46,000</p>	<p>Controller's department's review of statement of expenditures and receipts</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> • Consultants comply with ADB's disbursement procedures.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
Asian Development Bank (ADB) Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	160
ii. Domestic Consultants	206
b. International and Local Travel	26
c. Reports and Communications	2
2. Workshop, Seminar, and Conference	
a. Facilitation	6
b. Seminars and Workshops	24
3. Consultation	10
4. Miscellaneous Administration and Support Costs	20
5. Contingencies	46
Total	500

^a Financed from the Japan Special Fund, funded by the Government of Japan.
Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Remittance and Development Specialist (international, 6 person-months)

1. The international consultant is expected to have (i) excellent technical knowledge of the subject matter gained from several years of experience and research; (ii) excellent analytical and critical thinking skills; (iii) the ability to write and synthesize complex issues clearly and concisely; (iv) a demonstrated capacity to prepare and deliver effective presentations and to lead and manage team; (v) experience working with acknowledged research institutes, the academe, government agencies, local community groups, and the private sector; and (vi) an advanced degree in a social science, preferably in economics, and knowledge and years of experience in remittance policy development. Experience in research in remittances and development, specifically an understanding of the Southeast Asian context, would be an advantage.

2. The international consultant duties will include, but not be limited to, the following:
 - (i) Coordinate a research team of individual consultants in various fields of specialization.
 - (ii) Design, organize, and implement a framework of the in-depth study and detailed work plans for each support consultant in accordance with the methodology and key activities outlined in the technical assistance (TA).
 - (iii) Analyze research materials, identify key information gaps, and, in coordination with other consultants, design research methodologies to fill in information gaps.
 - (iv) Analyze and monitor country level study findings; identify and analyze various factors resulting in possible discrepancies in findings; and reconcile the discrepancies.
 - (v) Establish and ensure standards of quality of research outputs of various support consultants.
 - (vi) Ensure timely execution of work plans of various consultants.
 - (vii) Participate in consultations with various stakeholders on remittance and/or migration.
 - (viii) Prepare concise inception and interim reports:
 - (a) inception report, to be submitted by the end of the fourth week of commencement, to cover the preliminary framework of the study and detailed work plan;
 - (b) two interim reports, to be submitted by the end of February 2005 and end of April 2005, to cover work undertaken, including progress of implementation vis-à-vis the TA framework, results of the analyses, and draft versions of proposed policy and programs to meet TA objectives;
 - (c) draft final report to be submitted in May 2005, including status of implementation vis-à-vis the TA framework, final versions of results of the analyses, and concrete set of proposals; and
 - (d) final report, to be submitted at the end of the TA, including formal approval of the outputs by Asian Development Bank (ADB) and the participating governments.

- (ix) Prepare executive summaries highlighting research conclusions and policy/program recommendation and a detailed action plan for ADB use, as and when requested.
- (x) Organize one regional workshop, present the study findings, and discuss the recommendations and action plans to confirm that they can be implemented.
- (xi) Represent and/or join ADB in international and local conferences, in meetings with the participating government authorities, multilateral institutions, and other stakeholders to discuss remittance, as and when requested.
- (xii) Prepare the final in-depth study.

B. Banking, Financial, and Legal Regulatory Specialist (international, 2 person-months on an intermittent basis)

3. The international consultant is expected to have (i) strong technical knowledge of the subject matter gained from years of finance and banking experience, including knowledge of taxation and regulations in remitting and recipient participating countries; (ii) good analytical and writing skills; (iii) a good understanding of the participating countries' government structure; and (iv) experience in dealing with government authorities.

4. The international consultant's duties will include, but not be limited, to the following:

- (i) In support of the coordinating consultant, prepare a detailed work plan to carry out specific responsibilities of the engagement.
- (ii) Prepare a research-supported report on the remitting countries' banking, financial, and legal regulatory barriers and incentives (including the subject of taxation) that impede or encourage the flow of remittances to the recipient countries. The report should include practicable policy or program recommendations for the remitting government and recipient governments, with focus on possible cost reduction measures in remittance flows.
- (iii) Review various formal and informal remittance channels available in the participating countries for possible linkages with financial institutions.
- (iv) Provide the coordinating consultant with executive summaries and interim reports as and when requested.
- (v) Support the coordinating consultant in all matters relating to financial and legal regulations and fund transfer mechanisms of the participating countries.
- (vi) Support the coordinating consultant with market research on how overseas workers and their households or families handle remittances.
- (vii) In consultation with a coordinating consultant, design market survey objectives and methodologies.
- (viii) Help the coordinating consultant organize the regional workshops.
- (ix) Prepare concise interim reports for the coordinating consultant as and when requested.
- (x) Prepare the final report in a form and of a standard acceptable to the coordinating consultant.

C. National Level Study Team Leaders (6 international/domestic, 31 person-months total: for host country study and remittance channel study, 5 person-months each in Hong Kong, China and Japan; 4 person-months in Malaysia; and 3 person-months in Singapore; for the home country study, 6 person-months in Indonesia; 5 person-months in Malaysia; and 3 person-months in the Philippines [intermittently over 6 months])

5. The national-level study team leader (one consultant based in each participating jurisdiction) is expected to have (i) strong technical knowledge of the subject matter gained from years of finance and banking experience (including knowledge of relevant taxation laws in the participating jurisdiction); (ii) a proven track record of conducting research-oriented market surveys of the study countries, preferably on remittance-related behavior; (iii) the ability to manage a team of sub-consultants to perform the market research (not necessarily with market research skills as a primary qualification); (iv) analytical skills and a good understanding of the country and local community to effectively conduct market research; (v) a good understanding of government structures; and (vi) experience in dealing with government authorities.

6. The consultants will assume, but not be limited to, the following responsibilities:

- (i) In support of the coordinating consultant, prepare a detailed work plan to carry out specific responsibilities of the engagement.
- (ii) Prepare a research-supported report on recipient countries' financial and legal regulatory barriers and incentives (including the subject of taxation) that impede or encourage the inflow of remittances, including practicable policy or program recommendations for the participating government, with focus on possible measures to reduce costs of remittance flows.
- (iii) Engage supporting researchers and experts as necessary in consultation with the coordinating consultant and ADB.
- (iv) Review various international and local remittance channels or systems and recommend ways to link up with the participating countries' financial institutions.
- (v) Support the coordinating consultant with market research on how overseas workers and their households or families handle remittances.
- (vi) In consultation with a coordinating consultant, design market survey objectives and methodologies.
- (vii) Conduct a market survey of overseas workers and, if applicable, of their households.
- (viii) Participate in discussions with officials and representatives of the key government agencies (statistics office, labor and employment department, national economic and development authority), and with representatives from financial institutions, overseas workers' association, NGOs, and key institutions with an interest in remittance.
- (ix) Join the coordinating consultant in meetings as and when requested.
- (x) Prepare concise interim reports for the coordinating consultant.
- (xi) Help the coordinating consultant organize the regional workshop or seminar.
- (xii) Support the coordinating consultant in matters relating to the country's financial and legal regulations.
- (xiii) Prepare the final report in a form and of a standard acceptable to the coordinating consultant.