

ASIAN DEVELOPMENT BANK

TAR: PRC 36525

TECHNICAL ASSISTANCE

TO THE

PEOPLE'S REPUBLIC OF CHINA

FOR

STRENGTHENING PUBLIC DEBT MANAGEMENT

November 2002

CURRENCY EQUIVALENTS

(as of 31 October 2002)

Currency Unit	–	yuan (CNY)
CNY1.00	=	\$0.1208
\$1.00	=	CNY8.2769

On 1 January 1994, the dual exchange rate system of the People's Republic of China was unified. The exchange rate of the yuan is now determined under a managed floating exchange rate system.

ABBREVIATIONS

ADB	–	Asian Development Bank
ALM	–	asset liability management
FD	–	Finance Department (of the Ministry of Finance)
GDP	–	gross domestic product
ID	–	International Department (of the Ministry of Finance)
IMF	–	International Monetary Fund
MOF	–	Ministry of Finance
PBC	–	People's Bank of China
PDM	–	public debt management
PRC	–	People's Republic of China
SAFE	–	State Administration of Foreign Exchange
SDPC	–	State Development Planning Commission
TA	–	technical assistance
TD	–	Treasury Department (of the Ministry of Finance)
WB	–	World Bank

NOTES

- (i) The fiscal year of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Government of the People's Republic of China (PRC) requested the Asian Development Bank (ADB) during the 2002 Country Programming Mission to provide technical assistance (TA) to strengthen the PRC's external public debt management and examine the feasibility of consolidating its external and domestic public debt management (PDM) functions. The Government and ADB reached an understanding on the objective, scope, cost, and financing and implementation arrangements of the TA during a Fact-Finding mission in August 2002. The TA framework is in Appendix 1.¹

II. ISSUES

2. The PRC's public debt market is relatively small, but it is growing at a significant rate. Its total domestic and external public debt stood at \$270 billion or 25.1% of gross domestic product (GDP) at the end of 2000, in comparison with a ratio close to 70% in Malaysia, Singapore, or the Republic of Korea. Of the total debt outstanding, the domestic public debt (raised through the issuance of treasury bonds) accounted for RMB1.367 trillion (\$165.3 billion) or 15.3% of GDP and the external public and publicly guaranteed debt amounted to \$104.7 billion (9.6% of GDP) at the end of 2000.² Of that amount, multilateral debt was \$26.3 billion, official development assistance from bilateral sources amounted to \$24.6 billion, and outstanding sovereign bonds issued stood at \$12.3 billion.

3. The PRC's debt markets are characterized by a number of other specific features. Demand for debt in the financial system is high, given PRC's high savings rate above 40% of GDP, matched only by Singapore and Malaysia in the region. Domestic investors perceive the country risks to be relatively low, as evident from a number of indicators including (i) high foreign exchange reserves at \$250 billion, sufficient to cover 11 months of imports; (ii) low external debt equivalent to 25% of the foreign exchange reserves, and 57% in relation to foreign exchange income; (iii) favorable maturity profile with less than 30% of overall external debt with short maturity; and (iv) low repayment burden, as debt service payments account for less than 8% of foreign exchange income.

4. At present, three organizations play a major role in determining and managing public debt, namely, the Ministry of Finance (MOF), State Development Planning Commission (SDPC), and the State Administration of Foreign Exchange (SAFE). All operate under the overall supervision of the State Council. MOF has the lead role in domestic public debt determination, issuance as well as management, and it shares responsibility with SDPC in authorizing the issuance of publicly guaranteed debt. MOF and People's Bank of China (PBC) coordinate on the quantity, pricing as well as maturity structure of domestic debt. SDPC is responsible for monitoring and analyzing the domestic corporate bond market.

5. With regard to the external public debt, SDPC and MOF jointly authorize new multilateral and bilateral loans in line with overall development planning objectives and priorities. They coordinate closely with the borrowing entities and undertake feasibility analysis of the projects proposed for external financing. After projects are approved, SDPC remains involved primarily in monitoring disbursements and repayments, and MOF performs the actual PDM functions.

¹ The TA first appeared in *ADB Business Opportunities* on 30 August 2002.

² The overall external debt of the PRC stood at \$145.7 billion in 2000, then rose to \$170.1 billion in 2001 due to a fourfold increase in short-term debt.

6. SAFE, established as a special body reporting to the State Council, is responsible for monitoring and controlling the movement of foreign capital, to ensure that the foreign exchange resources of the country are maintained at an appropriate level. At present, the deputy governor of PBC serves concurrently as the director general of SAFE. Under its regulations, SAFE governs the flow of foreign funds, namely, onlending arrangements, and reporting and monitoring of all foreign currency related statistics. SAFE's primary responsibility is to register all foreign currency transactions of public and private entities, including loans and foreign direct investment inflows, and to authorize subsequent repayment of debt and repatriation of profits in foreign exchange.

7. Within MOF, four departments play key roles. At the apex, the Budget Department forecasts resource requirements, including borrowing needs. The International Department (ID) is responsible for negotiating, concluding, and administering all multilateral loans, while the Finance Department (FD) negotiates and administers all official development assistance and commercial external public debt. The Treasury Department (TD) is responsible for planning, issuance, and administration of domestic public debt.³ In addition to the treasury, the three state-owned policy banks, namely the State Development Bank of China, the Agricultural Development Bank of China, and China Export-Import Bank, have also issued financial bonds since 1990. While the initial volumes were miniscule, these bonds picked up in 1996—when the issuance amounted to RMB100 billion—and rose steadily to almost RMB200 billion by 2000. Given the ownership structures of the policy banks, their debt is categorized as quasi government liabilities. As of 2000, the State Development Bank of China issued close to two thirds of the debt of all the policy banks combined. While a majority of the debt issued is in the domestic markets, the policy banks also issue dollar-and yen-denominated bonds abroad.

8. ID is responsible for maintaining an onlending database for external loans, and their servicing in a timely manner. About 90% of all external loans are onlent to special-purpose entities, ministries, state-owned enterprises, or provincial agencies that coordinate projects. Bilateral loans are disbursed through a network of state-owned commercial banks, which also have servicing responsibilities. Every quarter, the commercial banks report to FD with project-level information, including disbursements, repayments, and outstanding balances on all onlent bilateral loans. FD, on behalf of the Government, has also been responsible for issuing international bonds, 12 times since 1993, with an average tenure of 10 years and actual maturity ranging upwards of 5 years. The agencies concerned periodically share information for reporting and monitoring purposes.

9. Although these institutional arrangements have to some extent been streamlined, the overall approach to PDM has a number of constraints. First, PDM is fragmented across a number of agencies, and the policy and legal framework governing PDM remains weak. Although debt sustainability is not a major concern in the near future, there is no ongoing in-depth macroeconomic analysis to determine debt requirements over the medium and long term. Second, there is a lack of transparency in the process of issuance of Government guarantees. There is also lack of information in determining what is guaranteed. In addition, while most of the debt has been sub-contracted by state-owned enterprises and financial institutions, there is no systematic approach within the overall budgetary framework to deal with contingent liabilities. As a result, overall liabilities are underestimated, and it presents a misleading picture to the State Council, the National People's Congress, and the general public.

³ The issuance of treasury bonds (including marketable bonds and savings bonds) has grown rapidly in the PRC in recent years, from less than RMB20 billion (\$41 million in nominal terms) in 1990 to RMB400 billion (\$500 million in nominal terms) by 2000.

10. Third, the policy and regulatory fragmentation is compounded by constraints in the legal framework. Under current legislation, provincial governments cannot run budgets with deficits; hence they are not empowered to engage in domestic or external borrowings. However, the governments can establish special-purpose entities—with separate administrative structure and financial responsibilities—to borrow funds and administer projects. The responsibility for final settlement and repayment of the obligations rests with ID. Any payments by the central Government, in cases when project entities cannot repay on time, are netted out of the intergovernmental transfers from the center to the provinces. These adjustments in transfers occur at substantial real as well as opportunity costs, as due to poor planning, funds earmarked for specific projects may be diverted to repay debts. The ultimate debt liabilities are implicitly borne by the provinces, but are not directly reflected in their budgets. The situation is aggravated by the practice of many local governments, which have accumulated implicit debt obligations through various forms of public guarantees.

11. Fourth, the framework for risk management is weak. The fragmented approach to PDM does not provide timely data to support sound asset-and-liability management (ALM), and the analytical capacity to assess the impact of interest rate or exchange rate changes on the Government's asset and liability positions is limited. For instance, while FD engages in swap transactions to cushion the shocks of foreign exchange and interest rate fluctuations, it does so on an ad hoc case-by-case basis, and not on a portfolio basis. As the Central Government's budget does not include all Government guaranteed debt and the debt servicing costs, MOF and the other agencies do not have a complete profile of the overall debt liabilities and the potential future fiscal implications.

12. Fifth, the macroeconomic framework and debt policy formulation are not necessarily consistent with overall fiscal deficit planning and forecasting. In view of the large restructuring costs of the banking sector and state-owned enterprises as well as the implicit pension liabilities, it is essential that the Government develop a comprehensive assessment of the State guarantees and contingent liabilities and integrate it with the overall medium-and long-term fiscal planning.

13. Sovereign debt management has long been a major part of fiscal planning in developed as well as developing countries. Recently, many countries, including Australia, New Zealand, and United Kingdom, have established separate PDM offices. The Commonwealth Secretariat has coordinated joint initiatives to improve PDM in the commonwealth bloc. The World Bank (WB) and the International Monetary Fund (IMF) have adopted guidelines on PDM in 2001.

14. The Government has requested an advisory TA from ADB to strengthen PRC's external PDM, and to assess the prospects for consolidating its domestic as well as external PDM functions under one umbrella. This proposed TA will be implemented in close coordination with a separate TA being provided by ADB to support the Government to reform macroeconomic-fiscal policy coordination and budget execution. WB provided TA support in 2000 on debt management, which recommended the consolidation of all existing MOF databases into a single source, and MOF is now in the process of procuring hardware and software to upgrade its statistics system. No other external support is envisaged in the near future. The proposed TA will build on the findings of the WB TA.

15. MOF recognizes that efforts to rationalize the institutional and regulatory fragmentation, and consolidate the external and domestic PDM functions are critical, to effectively reform the PDM system in PRC. MOF views the TA as an essential building bloc to launch an in-depth assessment of the feasibility of achieving such consolidation, based on experiences in other

countries. High-level discussions with the Government will be undertaken to ensure that the findings of the TA are fully utilized in policy and institutional changes in this area in the future.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

16. The goal of the TA is to strengthen PDM in the PRC. The purpose is to assess the current policy, institutional, legal, and regulatory arrangements for external debt management; formulate debt management guidelines that are consistent with international practices; and develop a blueprint to consolidate all PDM functions into a single unified framework. The outputs of the TA will include (i) assessments and recommendations for strengthening the management of external public debt; and (ii) a comprehensive report that discusses various options for streamlining PDM functions, including the establishment of a PDM office.

B. Methodology and Key Activities

17. The TA will undertake specific activities in three areas.

1. Strengthen the Current Policy and Institutional Framework for External PDM

- (i) Evaluate the objectives of the PRC's external PDM policy framework and its linkage to medium-term macroeconomic planning and forecasting.
- (ii) Assess the legal, regulatory and institutional framework for external PDM, with focus on intra- and inter-agency coordination among MOF, SDPC, PBC, and SAFE; assess the costs or losses incurred due to segmented regulation; and evaluate whether the external PDM framework recognizes an appropriate interface between commercial and public policy interests.
- (iii) Assess current approaches to and institutional capacity for research and analysis of various options for managing terms of sovereign debt, including maturity structure, foreign currency exposure in relation to foreign exchange income and reserves, linkage with put/call options, downstream and onlending arrangements, implicit or explicit contingent liabilities, and determination of guarantees.
- (iv) Examine risk management focusing on the exchange rate as well as interest rate risks, ALM systems, as well as performance measurement methods adopted by various agencies.

2. Establish Benchmark Debt Management Guidelines

- (i) Formulate external PDM guidelines based on an evaluation of the PRC's adherence to the international guidelines on PDM.
- (ii) Organize capacity-building initiatives, for key officials engaged in external PDM - these programs will involve domestic and international seminars and study visits to selected developed and developing economies with advanced PDM practices.

3. Formulate a Sound Institutional Framework for PDM

- (i) Design a blueprint for a consolidated framework to guide PDM, including a draft document outlining (a) the objectives of PDM; its approach, orientation, and operating principles; (b) an appropriate organizational structure, indicating clear front-middle-and back-office functions; (c) financing arrangements, set out against the anticipated costs and benefits of consolidating all PDM functions; and (d) an evaluation and measurement system to guide strategic decision-making on quantity, pricing, and maturity of public debt.

C. Cost and Financing

18. The total cost of the TA is estimated at \$500,000 equivalent, of which \$298,000 is the foreign exchange cost and \$202,000 equivalent is the local currency cost. The Government has requested ADB to finance \$400,000 equivalent, covering the entire foreign exchange cost and \$102,000 equivalent of the local currency cost. The Government will finance the balance of the local currency cost, equivalent to \$100,000, through the provision of counterpart and workshop facilities. The TA will be financed on a grant basis by ADB's TA funding program. The detailed cost estimates and financing plan of the TA are in Appendix 2.

D. Implementation Arrangements

19. ADB will engage a team of consultants, recruited individually, in accordance with the *Guidelines on the Use of Consultants* and other arrangements for selecting domestic consultants, to provide a total of 17 person-months of services: 7 international and 10 domestic. Consultants will have expertise in policy, legal, and regulatory issues pertaining to PDM. The terms of reference for consulting services are in Appendix 3.

20. ID will be the Executing Agency for the TA and will be responsible for all interagency coordination issues. ID will establish a project steering committee, comprising director generals of ID, TD, FD, and Budget Department within MOF, and appropriate officials from SAFE, SDPC, and PBC. This committee will review outputs and provide overall guidance, and ensure effective interagency coordination. The TA is expected to start in February 2003 and will be implemented over a period of 10 months.

IV. THE PRESIDENT'S DECISION

21. 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 Strengthening Public Debt Management, 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>Strengthen the overall management of public debt in the People's Republic of China (PRC)</p>	<p>Improved guidelines on external debt management formulated</p> <p>A unified framework for public debt management (PDM) finalized</p>	<p>Consultations with the Government</p> <p>Blueprint for a unified framework for PDM</p>	<p>Differences within the Government, between different agencies regarding a suitable approach and methodology for PDM</p>
<p>Purpose</p> <p>Assess the current policy, institutional, legal, and regulatory arrangements for external debt management, formulate debt management guidelines that are consistent with international practices, and develop a blueprint to consolidate all PDM functions into a single unified framework</p>	<p>Policy, institutional, and legal assessments completed</p> <p>Guidelines on external debt management formulated and a blueprint for a unified framework for PDM finalized</p>	<p>Interim and final assessments from the Technical Assistance (TA)</p>	<p>Interagency coordination in undertaking the assessments</p> <p>Government's commitment in adopting interim measures to strengthen PDM</p>
<p>Outputs</p> <p>(i) A detailed review of the current policy, legal, and institutional arrangements framework governing external debt management</p> <p>(ii) Guidelines and regulations on external debt management, based on the above review</p> <p>(iii) A comprehensive report that articulates various options for streamlining PDM functions, including the establishment of a debt management office</p>	<p>A full assessment completed, in line with the scope of the TA, and a statement of constraints and deficiencies prepared within 2 months from TA inception</p> <p>New guidelines and regulations formulated within 3 months from TA inception</p> <p>Domestic and international seminars and study tours completed and</p>	<p>Interim and final TA and Government' reports</p> <p>Review missions</p> <p>Consultations with the Government</p>	<p>Commitment of the Ministry of Finance (MOF) and other agencies in completing the assessment and sense of ownership in formulating measures to strengthen PDM under a single umbrella</p>

	<p>officials' reports submitted before TA completion</p> <p>Report on PDM options completed and made available to Government within 7 months of TA inception</p>		
<p>Activities</p> <p>All items identified in the methodology and key activities section of the TA paper, under the main items:</p> <ul style="list-style-type: none"> (i) Review current framework for external debt management (ii) Establish benchmark guidelines consistent with international practices (iii) Formulate a medium-term PDM framework <p>Prepare a blueprint to guide future reforms</p> <p>Conduct consultation and dissemination workshops</p> <p>Offer external training program for selected officials, aimed at increasing awareness of PDM practices in comparable developed and developing economies</p>	<p>Submission of interim assessments</p> <p>Workshop materials and outcomes</p> <p>Final training report from those participating in the external training activities</p>	<p>Consultants' and the Government's reports</p> <p>Interim and tri-partite consultations with Government</p>	<p>Availability of counterpart support, and full cooperation between all the relevant Government agencies</p> <p>Full coordination with the World Bank and the International Monetary Fund</p>
<p>Inputs</p> <p>17 person-months of consulting services, including 7 person-months of international consulting inputs of a sovereign debt management advisor/economist; and 10 person-months of domestic consulting services in economics and legal areas</p> <p>Interagency coordination functions undertaken by the International Department of the MOF</p>	<p>Initiation of consulting services</p> <p>Effective coordination as demonstrated by frequent exchange of information, and the consultants being able to work across a number of the agencies involved</p>	<p>Periodic reports</p>	<p>Delivery of quality advisory services</p>

COST ESTIMATES AND FINANCING PLAN
(\$)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. International Consultants			
a. Remuneration and per diem	172,000	0	172,000
b. International Travel	15,000	0	15,000
2. Domestic Consultants - Remuneration	0	60,000	60,000
3. Equipment	5,000	0	5,000
4. External Training ^b	40,000	0	40,000
5. Domestic Seminars with International Participation	20,000	10,000	30,000
6. Translation and Communication	0	12,000	12,000
7. Interim and Final Workshops	0	15,000	15,000
8. Contingencies	46,000	5,000	51,000
Subtotal (A)	298,000	102,000	400,000
B. Government Financing			
1. Office/Logistical Support	0	25,000	25,000
2. Compilation of Data and Materials	0	25,000	25,000
4. Domestic Seminars/Workshops	0	40,000	40,000
5. Domestic Transportation	0	10,000	10,000
Subtotal (B)	0	100,000	100,000
Total	298,000	202,000	500,000

a Funded by Asian Development Bank's TA funding program.

b This component provides for up to six officials to participate in contact visits for up to two weeks to learn and update their skills on sovereign debt management, and will cover travel, accommodation and materials.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The Technical Assistance (TA) will provide for advisory services of 17 person-months: 7 international and 10 domestic. The terms of reference outline indicative tasks, and the consultants will be required to undertake any other related tasks to achieve the objectives of the TA.

A. Advisory Services

1. Public Debt Management Advisor/Economist (international, 7 person-months)

2. The public debt management (PDM) advisor will have high-level academic qualifications and significant experience in evaluating PDM practices around the world, particularly in countries that are comparable with the People's Republic of China (PRC). The advisor will undertake two main tasks: (i) assess current external debt management practices, and formulate recommendations and provide advisory support to strengthen external debt management; and (ii) review the policy and institutional framework for management of the overall public debt (external and domestic), and formulate a design for consolidating the PDM functions under a unified umbrella. Capacity building will be provided throughout the TA, and at least 4 person-weeks of the consultant will be utilized for domestic training activities. In line with the scope of the TA, the advisor will have these tasks:

- (i) Review the objectives of the PRC's external PDM policy and assess the current external debt management framework and its linkage to the medium-term macroeconomic framework.
- (ii) Assess the legal, regulatory, and institutional framework for external debt management; in particular, assess the interdepartmental coordination within the Ministry of Finance (MOF) with regard to external debt management; examine interagency coordination among MOF, State Development Planning Commission, People's Bank of China, and State Administration of Foreign Exchange; assess if the current debt management framework recognizes appropriate interfaces between commercial and public policy interests; and assess the relative responsibilities and accountabilities for PDM and monetary policy.
- (iii) Assess the current approaches to management of terms of sovereign debt, including maturity structure, foreign currency exposure, linkage with put/call options, downstream and onlending arrangements, implicit or explicit contingent liabilities, and determination of guarantees; and evaluate how senior debt of entities related to the Government is treated in analysis, accounting, and regulatory frameworks.
- (iv) Examine risk management, focusing on the exchange rate as well as interest rate risks, and asset liability management systems adopted by the various government agencies; and assess methods for measuring the performance adopted by the agencies.
- (v) Evaluate if there have been undue regulatory costs imposed on external debt management due to the segmented responsibilities in place at present.
- (vi) Based on outcomes of the recent World Bank TA, evaluate the management information system in place to guide external debt management.
- (vii) Assess the institutional capacity for research and analysis of various options for external debt management, including evaluation of various aspects such as term structures, optimal size of foreign currency debt and its share in foreign

- exchange income and external reserves, and optimal composition of sovereign debt.
- (viii) Compare the above assessment against current practices and arrangements in advanced economies and comparable developing countries.
 - (ix) Evaluate the PRC's adherence to the joint International Monetary Fund-World Bank guidelines on public debt management.
 - (x) Organize capacity-building initiatives, including domestic and international seminars and study tours, for key officials engaged in external debt management.
 - (xi) Formulate a blueprint for a consolidated framework to guide PDM, including a draft document consisting of (a) the objectives of PDM; approach, orientation and operating principles; (b) an ideal organizational structure, indicating clear front-, middle-, and back-office functions; (c) financing arrangements, set out against the anticipated costs and benefits of consolidating PDM; and (d) an evaluation and measurement system, to guide strategic decision-making on quantity, pricing, and maturity of public debt.
 - (xii) In the interim, give recommendations for improving adherence to international practices and guidelines on PDM in terms of policy and analytical approaches; and formulate guidelines for enhancing capacity in policy, research, and analysis, institutional, legal, and regulatory areas relevant to PDM.
 - (xiii) Coordinate the work of the domestic consultants.
 - (xiv) Prepare a detailed report outlining the findings in (i)-(xiii).

3. Two domestic consultants will be recruited to support the work of the international consultant. A debt management/statistics expert and a legal expert will be recruited for a period of 5 months each. All domestic consultants will be able to speak fluently, read, and write in English. The terms of reference for the domestic experts will mirror those of the international expert in these areas, and will include, but will not be limited to those listed here.

1. Debt Management Statistics Expert (domestic, 5 person-months)

- (i) Compile all domestic and external public debt statistics for purposes of in-depth analysis under the TA.
- (ii) With the use of primary and secondary sources of information, prepare an initial overview on the size of the potential contingent liabilities.
- (iii) Coordinate with the relevant agencies in preparing a synthesis of PDM practices, with focus on external debt management (and on domestic debt management, as advised by the team leader).
- (iv) Prepare an initial report on the risk management and ALM frameworks.
- (v) Liaise effectively for domestic seminars and capacity-building initiatives.

2. Legal Expert (domestic, 5 person-months)

- (i) Review the relevant key legislation, and coordinate with the relevant agencies in all legal and regulatory aspects, and support the international advisor in reviewing the external debt management regulations, and appropriate (as advised by the team leader) domestic debt management regulations.
- (ii) Prepare a detailed report on the legal and regulatory provisions governing PDM, with specific focus on the impediments in those areas.

- (iii) Evaluate the legal implications of the proposed blueprint for unifying PDM into a potential debt management office, and prepare a review report on the same; in case of legal complexities, provide effective advice to the international advisor; for this purpose, effectively liaise with the Ministry of Justice or other relevant bodies.

B. Reporting Arrangements

4. The team leader will be responsible for preparing brief monthly progress reports, providing updates on implementation, until the Project is completed. In addition, an interim report will be submitted 2 months after the initiation of the TA (which could be combined in an enhanced monthly report), and a draft final report, 2 weeks before the completion of the tasks under the TA. After receiving comments from the Government and the Asian Development Bank, the draft final report will be revised and resubmitted. The reports will be translated into Chinese language to ensure wide dissemination.

C. Domestic Seminars and International Training Component

5. As noted in para.13 of the TA paper, several international initiatives have recently been adopted. While many countries have established autonomous debt management offices, they differ with regard to the key operational factors. The proposed contact-visit component will cover up to six officials from the concerned Government agencies to learn and update their skills on PDM. The contact-visits, to the extent feasible, will be combined with regional or international seminars or workshops on debt management or fiscal policy reforms.

6. In addition, a major seminar will be held in the PRC, with the participation of officials and experts engaged in PDM in developed and developing economies. The aim of the seminar is to discuss international practices, and to disseminate information to a wider audience within the PRC.

7. All the participating officials will submit to ADB a detailed report in English, outlining clearly (i) the goal they had set; (ii) purpose of participating in the training; (iii) activities undertaken during the training; (iv) accomplishments; and (v) how the training findings will be integrated in their day-to-day work in the Government. The participating officials will present their findings at the international seminar (para. 6).