Technical Assistance Report

Project Number: 45502
Policy and Advisory Technical Assistance (PATA)
May 2012


Asian Development Bank
CURRENCY EQUIVALENTS  
(as of 15 May 2012)

Currency Unit – yuan (CNY)  
CNY1.00 = $0.1582  
$1.00 = CNY6.3224

ABBREVIATIONS

ADB – Asian Development Bank  
FPMO – Foreign Loan Support Project Management Office  
PRC – People’s Republic of China  
TA – technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type – Policy and advisory technical assistance (PATA)  
Targeting classification – General intervention  
Sector (subsector) – Finance (investment funds)  
Theme (subthemes) – Private sector development (policy reforms, private sector investment)  
Location impact – Rural (low) and urban (medium)

NOTE

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

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Director General R. Wihtol, East Asia Department (EARD)  
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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
I. INTRODUCTION

1. During the 2010 country programming mission, the Government of the People’s Republic of China (PRC) requested that the Asian Development Bank (ADB) provide Shaanxi province with technical assistance (TA) to help conduct a study on promoting private investment for social and economic development in Shaanxi. A mission visited the province on 25–28 July 2011 to discuss with provincial government officials and other stakeholders the impact, outcome, outputs, and implementation arrangements for the TA.¹ The results of the discussion with the Shaanxi provincial government were reported to the Ministry of Finance on 29 July 2011, and a memorandum of understanding was signed on 5 August 2011. The design and monitoring framework is in Appendix 1.

II. ISSUES

2. The private sector in the PRC grew rapidly during 2006–2010, the period of the 11th Five-Year Plan. In 2006, the number of registered private enterprises was 8.4 million, increasing thereafter at an average rate of 14.3% annually. By the end of 2008, private sector fixed investment was CNY11.175 trillion ($1.76 trillion), representing 64.9% of the total national figure. Given rapid urbanization and the high economic growth rate in the PRC, it is likely that the private sector will expand and play an increasingly important role in the country’s economic development.

3. Shaanxi Province, with a population of 37 million, is in western PRC. The province has experienced rapid economic growth in the last 10 years. Its gross domestic product has grown to about CNY1.0 trillion (about $157 billion) in 2010, increasing annually by 14.9% on average over the period of the 11th Five-Year Plan. Its gross domestic product per capita was approximately $4,000 in 2010 and was ranked 15th out of 31 provinces.

4. During 2006–2010, the private sector in Shaanxi contributed significantly to economic growth. At the end of 2010, investments in fixed assets in Shaanxi were estimated at CNY850 billion ($132 billion), of which more than 45% were private investments. Private sector activities have gradually become an important source of employment and tax revenue. However, information and data collected by the government indicate that a significant portion of private sector funds flow through informal financiers and the real estate market, consequently distorting savings and investment flows and causing real estate prices to increase rapidly. The provincial government needs to rise to the challenge of encouraging the private sector to invest for higher quality and inclusive growth.

5. The government of Shaanxi has identified priority areas crucial to the future social and economic development; water resources exploration, transportation and urban infrastructure construction, land development, and ecosystem and environmental improvement. The Shaanxi government has also considered the importance of investment in social sector areas such as health, education, and social and welfare services. More specifically, the government wants to promote medical services development (construction of hospitals, community health care centers, and sanatoriums; public hospital restructuring; and improvement of public health services and designated medical insurance services), education and skills development (strengthening education at various levels from kindergarten education to vocational training),

¹ The mission was upgraded to fact finding as the objective, scope, funding and implementation were agreed subsequent to the mission, on 5 August 2011. The TA first appeared in the business opportunities section of ADB’s website on 7 December 2011.
and social and welfare services improvement (establishment of professional service facilities and management of various social welfare institutions such as nursing homes, and rehabilitation and care centers for the disabled).

6. For many years, development and improvement in these areas has relied mainly on government financing and fiscal revenue. However, government finances are limited and cannot meet development needs in the priority areas as well as expansion of services due to population increases and industry development demands. The public has also requested more efficient and therefore less costly services. Under these circumstances, the provincial government intends to mobilize private investment and help channel it to these areas.

7. The central government has issued several policy documents to encourage private investments in social services, transportation and telecommunications, energy, rural and urban infrastructure, and finance. These policies also call for more favorable financial and foreign exchange regulations and a supportive tax regime. The government of Shaanxi issued a decree to implement the policies. However, the policy documents and implementation decree do not provide sufficient incentive to encourage the private sector to invest in the identified priority areas. The Shaanxi government needs to comprehensively review the factors that deter private sector fixed investment in the identified priority areas, and explore innovative schemes to provide sufficient incentives to the private sector to invest in priority areas. The TA will assist the Shaanxi government to develop a strategy to mobilize private sector investment, including detailed measures to help implement policy documents and the implementation decree.

8. The TA is consistent with the National 12th Five-Year Plan and the Shaanxi 12th Five-Year Plan which aims to assist the provincial government to sustainably increase private investment in the priority areas of the province. The TA is also aligned with the country partnership strategy (2008–2010) which seeks to promote an enabling environment for private sector development. Private sector participation will continue to be important in the new country partnership strategy (2011–2015), which is under preparation.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

9. The impact will be increased private investments in priority areas for social and economic development in Shaanxi province. The outcome will be new measures issued to promote and sustain private investment in the province.

B. Methodology and Key Activities

10. This policy and advisory TA will help modernize legislation and financial instruments to increase private sector investment in priority areas in Shaanxi. The outputs of the TA will be (i) a general report on promoting private investment for social and economic development in Shaanxi, which will be developed based on four thematic narratives; and (ii) a policy note to be prepared after the general report is finalized. The four thematic narratives are

(i) innovative financial instruments and facilities for private investment;
(ii) creating a healthy legal environment for private sector development and investment growth;

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2 For example, the State Council issued Options to Encourage and Guide the Sound Development of Private Investment in 2011. It also announced the New Medical Reform Plan in April 2012 that encourages private investment in the healthcare industry through new favorable polices for domestic and overseas private investors.
(iii) analysis of the Shaanxi capital market, and guidance for its sustainable development; and
(iv) study of industry demand in Shaanxi, and promotion of private investment in priority areas.

11. The general report will provide
(i) an appropriate legal framework (revision and/or issuance of laws, opinions, and implementing orders) that will create an environment favorable to private sector investment;
(ii) a list of innovative financial instruments that can be made available to the private sector, including incentive packages (e.g. tax breaks, improved access to official investment channels) to increase their participation in the financial, securities, and insurance markets;
(iii) recommendations to improve participation of the private sector in local capital markets, and guidelines for Shaanxi’s capital market development;
(iv) a list of appropriate industries suitable for private sector investment, and proposed mechanisms to promote participation; and
(v) an action plan to implement the various recommendations, and feasible ways to ensure implementation of the plan.

12. The TA methodology will include data collection and surveys, workshops and report development, and a final symposium and policy recommendations. The consultants will coordinate data and information flows, conducting surveys and holding meetings with various stakeholders. The report will incorporate the source data and analysis to address the issues in each of the four thematic narrative areas.

13. Study tours\(^3\) will also be an integral part of this activity, as the province needs to improve its legal and financial environment for private investment by learning from the experiences of eastern provinces and advanced countries. The international study tour will be conducted in countries that have introduced policies, regulations, and innovative programs that have successfully created favorable environments for private sector participation in public infrastructure construction and social sectors. The executing agency will prepare domestic and international study tour reports, and best practices that are applicable for Shaanxi will be included in the final report.

14. Consultation workshops and meetings designed to extend the development of ideas obtained from the first activity will be undertaken. The consulting firm will organize and conduct workshops and a symposium with assistance from the project executing agency.

15. The first workshop, after one year, will be designed to allow thematic narratives to be examined by different stakeholders and private sector representatives. Emphasis will be given to the recommendations that directly address sustainable, effective private sector development and investment growth. The workshop will also be a venue for participants to express their views and general ideas about the concepts being discussed. This first workshop is also designed to develop an outline for the TA report.

16. The second workshop will focus on an examination of the draft final general report and the general ideas presented. Stakeholder reactions and general recommendations stemming

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\(^3\) The domestic study tour will be funded under the TA; the government will finance the international study tour.
from the draft will be documented, and resulting ideas from this workshop will be incorporated into the final report.

17. The final activity of the TA will be a symposium conducted to present the final general report and a policy note to stakeholders, particularly senior provincial government officials and private sector investors. The symposium is expected to create an opportunity for participants to agree on the courses of action that are integrated in the document, and on next steps for implementation.

C. Cost and Financing

18. The government has requested ADB to finance $400,000 equivalent. The TA will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF-other sources). The Government of Shaanxi Province will finance the equivalent of $100,000 in cash for the cost of the international study tour and symposium, and provide counterpart support in kind through the provision of office space and equipment, counterpart staff, intercity transportation, and other logistics services. The TA proceeds will be disbursed in line with ADB’s Technical Assistance Disbursement Handbook (2010, as amended from time to time). The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

19. The TA will be implemented over a 24-month period, from June 2012 to May 2014. The Foreign Loan Support Project Management Office (FPMO) of the Shaanxi government will be the executing agency for the TA and will coordinate with central or provincial government authorities and financial institutions. The FPMO will assign appropriate counterpart staff to assist the consultants.

20. Funding of consulting services totaling 19 person-months (one international consultant for 2 person-months and four national consultants for a total of 17 person-months) will be required. The international consultant will provide expertise in financial investments. The national consultants will have expertise in addressing issues related to domestic legal supervision, financial investments, capital markets development, and industry demand. The terms of reference for the consultants are in Appendix 3. The consultants will be hired through a firm in accordance with ADB’s Guidelines on the Use of Consultants (2010, as amended from time to time) using the quality- and cost-based selection method following the biodata technical proposals procedure. The weighted ratio of technical and financial proposals for quality- and cost-based selection will be 80:20.

21. All reports and thematic narratives by the consultants will be prepared in English and translated into Chinese. The consultants will work closely with ADB and the FPMO and will regularly discuss progress and findings. Tripartite meetings involving ADB staff, the consultants, and the FPMO will be held to guide the consultants and review their reports.

22. The executing agency will provide a suitably furnished office with utilities and telecommunication access; intercity transport for the consultants; materials, maps, data, and documents required for the TA; and reasonable cost of utilities for the use of the consultants, counterpart professional staff, and support staff for TA-related activities.

23. The executing agency and ADB will regularly monitor and report on major project activities. Consultants’ reports will be presented in workshops and seminars organized for the
validation of findings. Reports will be made available on ADB’s website in both English and Chinese. The knowledge product will be made available to the public after executing agency clearance.

IV. THE PRESIDENT’S DECISION

24. 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 Promoting Private Investment for Social and Economic Development in Shaanxi Province, and hereby reports this action to the Board.
## DESIGN AND MONITORING FRAMEWORK

### Design Summary

<table>
<thead>
<tr>
<th>Impact</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased private investments in priority areas in Shaanxi province</td>
<td><strong>By 2016</strong> Private investment in targeted priority sectors will be increased by 10% over 2009 yearend data (baseline to be confirmed at inception)</td>
<td>Shaanxi Statistics Bureau; National Statistics office reports</td>
<td><strong>Assumption</strong> Incentive policies are effective in stimulating private investments in priority areas <strong>Risk</strong> Private sector investment response may not be as strong as expected</td>
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### Outcome

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>New measures to promote and sustain private investment issued</td>
<td><strong>By 2014</strong> Incentives in taxation, enterprise registration and operation, financial market access and new instruments (baseline zero)</td>
<td>Official publications of government policies in Shaanxi; private sector statistics annual reports</td>
<td><strong>Assumption</strong> Shaanxi provincial government implements key recommendations of TA report</td>
</tr>
</tbody>
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### Outputs

1. **General report on promoting private investment for social and economic development in Shaanxi province prepared.**
   - **By 2012** Draft general report based on the four thematic narratives
   - **By 2014** Final general report
   - **Second stakeholder consultation minutes on the four thematic narratives**
   - **By 2014** Minutes of symposium for final report and implementation

2. **Policy note on innovations in legal environment, financial instruments, and capital markets access to stimulate private sector investments in priority areas prepared.**
   - **By 2014** Project reports on ADB website
   - **ADB website, TA files**
   - **DRC website or other appropriate public disclosure locations**
   - **ADB website and DRC website or other appropriate public disclosure locations**

### Activities with Milestones

<table>
<thead>
<tr>
<th>Activities with Milestones</th>
<th>Inputs</th>
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<tbody>
<tr>
<td><strong>1. General Report</strong></td>
<td><strong>Inputs</strong> ADB: $400,000 (TASF-other sources):</td>
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<tr>
<td>1.1 Conduct reviews and assessments (June–September 2012)</td>
<td>- 2 person-months international consultant inputs</td>
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<tr>
<td>1.1.1 Review best practices in private investment promotion in the eastern region of the PRC, and in advanced countries.</td>
<td>- 17 person-</td>
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<tr>
<td>1.1.2 Review the current laws and regulations on private sector operations and investment, including fund operations; corporate and company operations; contracts; and accessibility to financial, securities, and</td>
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</table>
### Activities with Milestones

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Activities with Milestones</th>
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<tbody>
<tr>
<td>months national consultant inputs</td>
<td>1.1.3 Review financial instruments available to the private sector, including current barriers to private sector access to financial, securities, and insurance markets, and areas encouraged by the government.</td>
</tr>
<tr>
<td>Government of Shaanxi province: $100,000 equivalent in cash for the cost of international study tour and the symposium</td>
<td>1.1.4 Assess industry demand for private investment and incentives to encourage private sector involvement.</td>
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<tr>
<td>Counterpart support in-kind as a suitably furnished office with utilities and telecommunication access; intercity transport for the consultants; materials, maps, data, and documents required for the TA; reasonable cost of utilities for the use of the consultants; and counterpart professional and support staff</td>
<td>1.2 Conduct analyses (September–December 2012)</td>
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<td></td>
<td>1.2.1 Conduct an analysis on the current status of the private sector’s performance, investment, and management.</td>
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<td></td>
<td>1.2.2 Analyze rules and regulations related to administration, taxation, registration, financial instruments innovation, sector permits, and overseas investment.</td>
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<td>1.2.3 Examine the status of capital markets and analyze the disadvantages and impact on private investment.</td>
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<td>1.2.4 Analyze the impediments to private sector investment in the sectors encouraged by the government; in particular, identified priority areas.</td>
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<td>1.3 Organize and manage two domestic study tours in the eastern provinces of the PRC (September 2012), and one overseas study tour to observe good practices in private investment promotion (December 2012).</td>
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<td>1.4 Prepare recommendations (January–November 2013)</td>
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<td></td>
<td>1.4.1 Recommend innovative financial instruments appropriate to Shaanxi’s private sector.</td>
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<tr>
<td></td>
<td>1.4.2 Based on policy documents issued by the State Council and implementation decree issued by the provincial government, identify areas where more specific measures for investment promotion in priority areas may be applied (January–November 2013).</td>
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<td></td>
<td>1.4.3 Recommend ways to further develop local capital markets and develop guidelines to help channel private capital to legitimate capital markets and priority areas (January–November 2013).</td>
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<td>1.4.4 Recommend incentive measures that encourage private investment in the priority areas (January–November 2013).</td>
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<td></td>
<td>1.5 Draft general report that will include measures to promote private investment that will significantly improve private investment in the identified priority areas (November 2013 – January 2014).</td>
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<td>1.6 Conduct first workshop with key stakeholders to discuss the four thematic narratives and the draft general report and determine more feasible ways to ensure implementation (July 2013).</td>
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<td></td>
<td>1.7 Revise and refine options, and provide draft final report (February 2014).</td>
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<td></td>
<td>1.8 Conduct second workshop with key stakeholders to discuss the draft final report (March 2014).</td>
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<tr>
<td>2. Policy Note</td>
<td>2.1 Prepare a policy note (knowledge product) on innovations on legal environment and financial instruments and improving access to capital markets in the priority areas encouraged by the government (February 2014).</td>
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<td></td>
<td>2.2 Conduct a final symposium to present the general report and policy note to the provincial government for its consideration (May 2014).</td>
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## COST ESTIMATES AND FINANCING PLAN
($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Asian Development Bank Financing</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>1. Consultants</td>
<td></td>
</tr>
<tr>
<td>a. Remuneration and Per Diem</td>
<td></td>
</tr>
<tr>
<td>i. International Consultant</td>
<td><strong>60.0</strong></td>
</tr>
<tr>
<td>ii. National Consultants</td>
<td><strong>115.0</strong></td>
</tr>
<tr>
<td>b. International and Local Travel</td>
<td><strong>30.0</strong></td>
</tr>
<tr>
<td>c. Reports and Communications</td>
<td><strong>25.0</strong></td>
</tr>
<tr>
<td>2. Domestic Study Tour&lt;sup&gt;b&lt;/sup&gt;</td>
<td><strong>30.0</strong></td>
</tr>
<tr>
<td>3. Workshops&lt;sup&gt;c&lt;/sup&gt;</td>
<td><strong>60.0</strong></td>
</tr>
<tr>
<td>4. Surveys&lt;sup&gt;d&lt;/sup&gt;</td>
<td><strong>20.0</strong></td>
</tr>
<tr>
<td>5. Translation&lt;sup&gt;e&lt;/sup&gt;</td>
<td><strong>20.0</strong></td>
</tr>
<tr>
<td>6. Contingencies</td>
<td><strong>40.0</strong></td>
</tr>
<tr>
<td><strong>Subtotal (A)</strong></td>
<td><strong>400.0</strong></td>
</tr>
<tr>
<td><strong>B. Government Financing</strong>&lt;sup&gt;f&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>1. International Study Tour&lt;sup&gt;g&lt;/sup&gt;</td>
<td><strong>70.0</strong></td>
</tr>
<tr>
<td>2. Symposium</td>
<td><strong>30.0</strong></td>
</tr>
<tr>
<td><strong>Subtotal (B)</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td><strong>Total (A+B)</strong></td>
<td><strong>500.0</strong></td>
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</tbody>
</table>

<sup>a</sup> Financed by the Asian Development Bank’s Technical Assistance Special Fund (TASF—other sources).

<sup>b</sup> A study tour plan including budget will be submitted for ADB approval, and completion report in English will be submitted to ADB and the consultant.

<sup>c</sup> Includes two workshops and a symposium.

<sup>d</sup> Survey on private investment by consultants.

<sup>e</sup> Translation of miscellaneous documents into English.

<sup>f</sup> The government will also provide counterpart support in cash for the study tour and symposium; and other contributions in kind.

<sup>g</sup> The international study tour plan will be discussed with ADB, and the study tour completion report in English will be prepared and submitted to ADB and the consultant.

Source: Asian Development Bank estimates.
OUTLINE OF TERMS OF REFERENCE FOR CONSULTANTS

A. General

1. The consultants will perform their tasks in consultation with the executing agency; the Foreign Loan Support Project Management Office (FPMO) of Shaanxi province; and other central, provincial, and local government departments and agencies to ensure full acceptance of the outcome of the technical assistance (TA). The TA will be completed with 2 person-months of international and 17 person-months of national inputs.

B. Specialist Team

1. **Financial Investment Specialist and Team Leader** (5 person-months, national)

2. The national financial investment specialist and team leader will have extensive experience in and in-depth knowledge of promoting private sector investment in the identified priority areas (such as medical and health services, education, and social welfare; water resources exploration; transportation and urban infrastructure construction; land development; and improvement in the ecosystem environment). The consultant will have overall responsibility for the effective and timely implementation of the TA, including the general report integrating the four thematic narratives identified in the paper. The team leader will foster close coordination between international and national consultants and coordinate with the FPMO, other government agencies, the Asian Development Bank (ADB), and other international organizations doing related work. The team leader will periodically report progress to the FPMO and ADB. The specialist will also
   
   (i) assess domestic financial policies and regulations, and investment ideology on private sector investment;
   (ii) review financial instruments and investment channels available to the private sector in Shaanxi;
   (iii) analyze existing impediments to private investment including risk mitigation measures;
   (iv) identify key issues to be covered in workshops and seminars, prepare background materials, and select resource persons;
   (v) assist in developing new financial instruments for private investment in public infrastructure and priority areas;
   (vi) prepare the draft financial instruments thematic document and the final general report on promoting private investment for social and economic development in Shaanxi;
   (vii) prepare knowledge products, policy recommendations, and possible innovations in the above areas; and
   (viii) prepare and organize workshops and a symposium.

2. **Financial Investment Specialist** (2 person-months, international)

3. The financial investment specialist will have extensive experience in and in-depth knowledge of promoting private sector investment in the identified priority areas (such as medical and health services, education, and social welfare; water resources exploration; transportation and urban infrastructure construction; land development; and improvement in the ecosystem environment). The consultant will primarily be responsible for the introduction of international experiences and best practices. The specialist will
(i) study issues related to financial supervision and regulation of financial, securities, and insurance markets in foreign developed countries;

(ii) review financial and risk mitigation instruments and investment channels that are available to private enterprises;

(iii) examine the financial instruments and investment channels for private investment in the People’s Republic of China and compare these with international best practices; international experiences should be provided for sharing with the national financial specialist and the Shaanxi government;

(iv) based on international experiences, provide policy recommendations on (a) how to address and remove impediments to private investment in the government-encouraged areas and the official investment channels, and (b) how to establish a favorable financing mechanism for the private sector to engage in priority areas; and

(v) prepare the relevant section of the final general report (to be consolidated by the team leader) and related policy notes, providing peer review for other sections of the report, and help to improve and finalize the final general report.

3. Legal Specialist (4 person-months, national)

4. The specialist should have expertise in international and domestic legislation and legal supervision, especially in the area of private sector investment. The specialist should understand the current situation of private sector development as well as investment for public goods.

5. The specialist will be responsible for conducting specific studies and presenting findings at workshops. He or she will review the current laws and regulations on private sector operations and investment, including those related to fund operations; corporate and company operations; contracts; and accessibility of financial, securities, and insurance markets. The specialist will also identify the barriers to private investment and indicate the areas that can be improved or changed. The rules and regulations related to administration, taxation, registration, financial instruments innovation, entry into industry, overseas investment, and sector disciplines will also need to be analyzed. The relevant section of the final general report and recommendations to improve the legal framework for private sector investments will be prepared based on the analysis.

4. Domestic Industry Demand Specialist (4 person-months, national)

6. The specialist should be familiar with the People’s Republic of China private investment and entry into industry, be knowledgeable in government orientation and promotion policies regarding private investment, and understand the current situation with regard to private sector development and its trend.

7. The specialist will examine industries, domestically and overseas, that the private sector is interested in, and industries and/or sector demand of the government. The specialist will analyze the impediments to private investment in the sectors encouraged by the government; in particular, the identified priority areas. Based on the analysis, policy recommendations, and detailed mechanisms, in particular, the investment channels, and concrete requirements for entrance to private investment will be provided.
5. **Capital Market Specialist** (4 person-months, national)

8. The specialist should be knowledgeable in official capital markets and unofficial markets, be familiar with private sector participation in capital markets and relevant management, and understand private investment operation in capital markets and government-encouraged sectors.

9. The specialist will conduct an analysis of the capital markets in Shaanxi, including the problem of excess liquidity and, in particular, the participation of the private sector in the local capital markets. Factors that support underground activities will be investigated and possibilities to legalize such activities will be explored. Policy recommendations on how to further develop the local capital markets and guidelines to help channel private capital to official capital markets and identified priority areas will be provided.

C. **Reporting Arrangements**

10. The consultants will submit the following reports: (i) an inception report within 4 weeks from the start of the TA, finalizing the approach, presenting a detailed work plan and implementation schedule, and identifying any need for improvement in the paper prepared by the FPMO; (ii) the four thematic narratives by the milestones in the design and monitoring framework; (iii) the draft general report and minutes from meetings by specified deadlines; and (iv) a final report, 2 weeks after the receipt of comments on the draft final report from the FPMO and ADB (the comments will be issued no later than 2 weeks after the issuance of the draft final report). Two weeks input time is allowed for this activity.

11. All reports will be written in English and translated into Chinese. Three copies of each report (in English) will be submitted to ADB and five copies (in both Chinese and English) to the FPMO. The reports should address all aspects of the terms of reference to the level of detail appropriate for the given stage of the TA. The consultants will present key findings in workshops and symposium. The related governments and financial institutions in the province and ADB staff will participate in the workshops, the tripartite meetings, and the symposium. The Ministry of Finance and the National Development and Reform Commission will be invited to the final workshop and symposium.