



# Technical Assistance Report

---

Project Number: 52305-001  
Knowledge and Support Technical Assistance (KSTA)  
November 2018

## Republic of Azerbaijan: Development of Nonbank Finance and Alternative Financial Instruments for Economic Diversification

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

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 15 November 2018)

Currency unit	–	Azerbaijan manat/s (AZN)
AZN1.00	=	\$0.5894
\$1.00	=	AZN1.6965

## ABBREVIATIONS

ADB	–	Asian Development Bank
FIMSA	–	Financial Market Supervisory Authority
GDP	–	gross domestic product
NBCI	–	nonbank credit institution
SMEs	–	small and medium-sized enterprises
TA	–	technical assistance

## NOTE

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

<b>Vice-President</b>	Wencai Zhang, Operations 1
<b>Director General</b>	Werner Liepach, Central and West Asia Department (CWRD)
<b>Director</b>	Tariq Niazi, Public Management, Financial Sector, and Trade Division, CWRD
<b>Team leader</b>	Laisiasa Tora, Economist (Public Finance), CWRD
<b>Team members</b>	Catherine Debalucos, Associate Project Analyst, CWRD Joao Farinha, Senior Financial Sector Economist, CWRD Nail Valiyev, Senior Economics Officer, CWRD Maria Celeste Yabut, Senior Operations Assistant, CWRD

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

## CONTENTS

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

## KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number:</b> 52305-001	
<b>Project Name</b>	Development of Nonbank Finance and Alternative Financial Instruments for Economic Diversification	<b>Department/Division</b>	CWRD/CWPF
<b>Nature of Activity</b>	Policy Advice	<b>Executing Agency</b>	Financial Market Supervisory Authority
<b>Modality</b>	Regular		
<b>Country</b>	Azerbaijan		
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ Finance	Banking systems and nonbank financial institutions		0.25
	Finance sector development		0.25
		<b>Total</b>	<b>0.50</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
Regional integration (RCI)	Pillar 2: Trade and investment Pillar 3: Money and finance		
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development Organizational development	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities		
Partnerships (PAR)	Implementation Private Sector		
Private sector development (PSD)	Conducive policy and institutional environment Promotion of private sector investment		
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Geographic Targeting	No	Rural	High
Household Targeting	No	Urban	Medium
SDG Targeting	Yes		
SDG Goals	SDG8, SDG10		
<b>6. Risk Categorization</b>	Low		
<b>7. Safeguard Categorization</b>	Safeguard Policy Statement does not apply		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.50</b>	
Knowledge and Support technical assistance: Technical Assistance Special Fund		0.50	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.05</b>	
Government		0.05	
<b>Total</b>		<b>0.55</b>	
<b>Currency of ADB Financing: USD</b>			





## I. INTRODUCTION

1. The knowledge and support technical assistance (TA) will continue Asian Development Bank (ADB) support for the Government of Azerbaijan's efforts to diversify the economy and promote sustainable, non-oil economic growth. It is part of a package of financial and technical support for macroeconomic and structural reforms that help address key constraints to economic diversification through knowledge support, policy advice, and capacity building. The TA will assist the Financial Market Supervisory Authority (FIMSA), the financial sector regulator and supervisor, to develop policies that promote nonbank and alternative financial services to improve financial intermediation and inclusion in the economy, strengthen FIMSA's capacity to regulate and supervise these services, and assist FIMSA in developing and conducting financial literacy and education programs that help improve consumer demand for these services.

2. The TA is included in the ADB country operations business plan for Azerbaijan, 2018–2020.<sup>1</sup> It is aligned with the Strategic Road Map on National Economic Perspectives, which was institutionalized by a presidential decree in 2016 and contains three strategic components: (i) an economic development strategy and action plan for 2016–2020, (ii) a long-term vision for 2025, and (iii) a post-2025 aspirational vision.<sup>2</sup> The Strategic Road Map on National Economic Perspectives sets the direction for 11 strategic road maps, which include facilitating access to finance (strategic road map 11 on financial services development) and agricultural development (strategic road map 3 on the production and processing of agricultural products). The TA will directly contribute to the Strategy 2030 operational priority of strengthening governance and institutional capacity and to the economic diversification objective of ADB's country partnership strategy for Azerbaijan, 2019–2023.<sup>3, 4</sup>

## II. ISSUES

3. **Macroeconomic context.** The Asian Development Outlook 2018 noted the Azerbaijan economy's rapid growth during 1995–2013, which averaged 11% per year and was driven by high foreign direct investment in the oil industry, and by growing oil production and exports and the expansionary fiscal policy that these enabled.<sup>5</sup> However, oil production started to peak in mid-2014. The subsequent decline in oil prices during 2014–2016 led to a significant reduction in economic growth; oil and gas revenues accounted for about 30% of gross domestic product (GDP), 60% of budget revenues, and more than 90% of export revenues. Two waves of currency devaluation in 2015 raised credit risks and led to deterioration in asset quality, with several banks and nonbank credit institutions (NBCIs) subsequently closing. After the devaluation, commercial banks changed their lending policies and pursued more United States dollar lending. This led to a drastic decline in local currency deposits and an increase in dollarization. As a result, credit to the economy, which was already low by regional standards, declined by 28.5% in 2017.

4. **Economic diversification.** The government recognizes that the finance sector can play a more transformative role in non-oil productive sectors of the economy, especially for small and medium-sized enterprises (SMEs) and in the regions outside Baku, the capital. As a key strategy to enable this, the government wishes to promote nonbank and alternative financial

---

<sup>1</sup> ADB. 2017. *Country Operations Business Plan: Azerbaijan, 2018–2020*. Manila.

<sup>2</sup> Government of Azerbaijan. 2016. *Strategic Road Map on National Economic Perspectives*. Baku.

<sup>3</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

<sup>4</sup> The TA first appeared in the business opportunities section of ADB's website in April 2018.

<sup>5</sup> ADB. 2018. *Asian Development Outlook 2018: How Technology Affects Jobs*. Manila.

services, such as financial leasing, pawn shopping, credit union and cooperatives services, postal financial services, and some forms of uncollateralized lending. In addition, the government wants to see substantially increased lending to sectors such as agriculture, which employs 38% of the workforce but only contributes 7.5% to GDP.<sup>6</sup> The biggest constraints to agricultural financing are repayment schedules that are not aligned to the harvest cycle, high interest rates, and lack of collateral.<sup>7</sup> NBCIs and alternative financial services can help address these challenges, particularly in those geographical areas and sectors that have been largely bypassed by the banking system.

**5. Bank and nonbank industry profile.** Banks and NBCIs are the primary sources of financial services for SMEs. However, the finance sector is dominated by banks and traditional lending products, such as retail banking services and short-term trade financing, that are overwhelmingly focused on Baku and are largely directed toward established medium and large enterprises.<sup>8</sup> Non-oil productive sectors of the economy, such as manufacturing and agriculture, are largely credit rationed as a result; in 2016, manufacturing comprised only 8% of total lending and agriculture made up 3%. Similarly, although regions outside Baku represent 78% of the population and 62% of entrepreneurs, in 2016 they received only 17% of total lending. Nonbanking services are dominated by microfinance institutions, which comprise about half of all NBCIs, and two providers, Access Bank and FINCA Azerbaijan, which account for 46% of the market.<sup>9</sup> The combined microfinance loan portfolio is only about 1% of GDP. NBCIs, such as financial leasing, pawn shopping, credit union and cooperatives services, postal financial services, and some forms of uncollateralized lending, are not well developed but hold significant potential. The target market for NBCIs include small farmers, trade and service SMEs, and individual enterprises, which mostly produce consumer goods. This situation is unlikely to improve in the short term given that (i) devaluation led to a reduction in the number of NBCIs from 157 in 2015 to 123 in 2017, (ii) there was a subsequent decline in demand from microfinance customers from 600,000 in 2015 to 181,400 by June 2018, and (iii) there is inadequate financial infrastructure in the regions outside Baku.

**6. Enabling environment.** Despite these challenges, the government believes nonbank and alternative financial services could become an essential source of local currency financing for SMEs and rural economic activity, provided that (i) appropriate policy, legal, and institutional reforms are developed and implemented; and (ii) financial literacy and education programs and outreach are improved. Banking policies, laws, and institutions are considered adequate, and ADB, the International Finance Corporation, and the World Bank provide financing and TA to help address the lack of capital and improve the enabling environment. However, the same cannot be said of the nonbank industry.<sup>10</sup> No policies exist for nonbank and alternative financial

---

<sup>6</sup> G. Ibadoghlu. 2018. Financial Inclusion, Financial Literacy, and Financial Education in Azerbaijan. *ADB Working Paper Series*. No. 842. Tokyo: Asian Development Bank Institute.

<sup>7</sup> European Bank for Reconstruction and Development. 2016. *Constraints of Agricultural Finance in Azerbaijan*. London.

<sup>8</sup> Of the 30 banks in operation in Azerbaijan, two are state banks, although the government announced the privatization of the International Bank of Azerbaijan in 2018. Azerbaijan has 15 foreign capital banks, including local branches of foreign banks. The government lifted all restrictions on foreign capital in the finance sector in 2005, but large foreign banks have yet to penetrate the market.

<sup>9</sup> More than 150 NBCIs operate in Azerbaijan. As of 1 April 2018, their aggregate loan portfolio totaled AZN413.9 million, or about 3.3% of the total portfolio of all credit institutions, according to the Central Bank of Azerbaijan.

<sup>10</sup> ADB policy financing is helping the government (i) enact key finance sector laws such as the Guarantee of Mortgage Loans Law, 2018; (ii) approve amendments to the Insolvency and Bankruptcy Law, 2018; (iii) establish a state register of movable property; and (iv) operationalize the Azerbaijan Credit Bureau. The International Finance Corporation is supporting the development of some agent banking regulations. The World Bank is providing TA to strengthen banking laws and regulations, as well as FIMSA's finance sector stability mandate.

services. Although laws such as the Law on Credit Unions, 2000 and the Law on Non-Bank Credit Institutions, 2010 are considered adequate and in line with international standards, the regulatory environment is fragmented, compliance with reporting requirements is weak, and not all NBCIs are covered.<sup>11</sup> In addition, FIMSA is a new institution and its capacity to develop appropriate policies and to adequately regulate and supervise NBCIs under its mandate is still developing. These developments have constrained financial intermediation and inclusiveness, as well as productivity levels in non-oil sectors of the economy. There is considerable scope, therefore, for ADB to help FIMSA address these challenges (paras. 4–5) and demonstrate strong value addition.

7. **Enabling environment reforms.** The government has addressed some of the most pressing weaknesses in the finance sector in response to these challenges. Major achievements include (i) the establishment of FIMSA in 2016 and its mandate under its charter to develop, regulate, and supervise the Azerbaijan financial market; (ii) the creation of a credit guarantee fund for SMEs; (iii) the establishment of a secured transactions registry; (iv) the enactment of legislation to establish the legal framework for setting up a credit bureau; (v) the establishment of the Financial Literacy Council; (vi) the integration of digital financial services into bank operations; and (vii) the enactment of banking law amendments in 2017, including critical provisions for appointing temporary administrators for distressed banks. The next reforms will accelerate efforts to address supply- and demand-side issues. Amendments to the Law on NBCIs and new laws for leasing services, pawnshops, and credit unions have been prioritized. FIMSA is well positioned to lead and coordinate these reforms given its dual development and regulatory mandates. It also leads government-established multiagency working groups to improve financial intermediation and inclusion, and it shares the mandate for financial education and literacy with the Central Bank of Azerbaijan.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

8. The TA is aligned with the following impact: availability of finance in local currency in non-oil productive sectors of the economy improved.<sup>12</sup> The TA will have the following outcome: appropriate nonbank and alternative financial services in local currency improved.<sup>13</sup>

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

9. **Output 1: Policy, regulatory, and institutional framework for appropriate nonbank and alternative financial services improved.** The TA will assess (i) the enabling environment for delivering nonbank and alternative financial services in Azerbaijan manat and (ii) FIMSA's institutional and organizational capacity to regulate and supervise these services and draw from international best practices to recommend areas where reforms are needed. In particular, this work will include (i) assessment of relevant policies, laws, and regulations; (ii) assessment of the mandates, functions, and organizational capacity of FIMSA, the Central Bank of Azerbaijan, and other development and regulatory entities; (iii) assessment of the financial infrastructure and capacity to deploy more digitized services; and (iv) identification of international best practices and solutions that could work in the Azerbaijan context.

<sup>11</sup> Financial leasing companies and pawnshops, for example, are regulated based on several provisions and articles of the Civil Code of Azerbaijan, 1999.

<sup>12</sup> Footnote 2, strategic road map 11 on financial services development.

<sup>13</sup> The design and monitoring framework is in Appendix 1.

10. **Output 2: Consumer demand for appropriate nonbank and alternative financial services improved.** The TA will assess consumer and creditor protection policy and legislation and draw from international best practices to recommend areas where reforms are needed. This work will cover strengthening legislation on creditors' rights in uncollateralized lending, including assessing relevant laws and regulations and their integration with Azerbaijan's insolvency framework. Under this output, the TA team will develop a financial literacy and education program that will help FIMSA improve consumer demand for appropriate nonbank and alternative financial services.

11. The TA will support the engagement of a firm with international and national experts in nonbank financial supervision and regulation, pawnshop regulation, credit union and cooperatives services, financial leasing, postal financial services, and rural agricultural financing. The TA will build on long-standing engagement in finance sector development in Azerbaijan that began in 1996 with the Private Banks and Leasing Companies project.<sup>14</sup> In addition, the TA will provide analytical inputs to strengthen the policy content of subprogram 2 of the Improving Governance and Public Sector Efficiency Program earmarked for Board consideration in 2019,<sup>15</sup> and prepare the scope for the next phase of the programmatic policy-based lending schedule for 2021. Lessons learned from ADB's engagement include (i) the need to make sure that engagement between ADB and the government includes dialogue and coordination with appropriate agencies to provide a stronger framework for competition and doing business, (ii) the importance of close investigation and scrutiny of the implementing agency's commitment and capacity to implement the TA, and (iii) the need to promote interagency coordination. These lessons have been incorporated into the design of the TA. For example, FIMSA is coordinating and collaborating with other relevant government agencies through working group arrangements to gain adequate institutional capacity to implement the TA effectively and efficiently (para. 7).

### C. Cost and Financing

12. The TA is estimated to cost \$550,000, of which \$500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The key expenditure items are listed in Appendix 2. FIMSA will provide counterpart support in the form of staff time, office space, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The TA will also explore opportunities to improve development partner coordination through cofinancing and joint analytical work.

### D. Implementation Arrangements

13. ADB will administer the TA through its Central and West Asia Department's Public Management, Financial Sector, and Trade Division, which will select, supervise, and evaluate consultants, organize discussions, and provide staff to act as resource persons as required. ADB's Azerbaijan Resident Mission will assign staff to join the TA implementation team. To facilitate the One ADB approach, TA implementation will be coordinated with the Private Sector

<sup>14</sup> ADB. 2011. *Extended Annual Review Report: Loan for Private Banks and Leasing Companies in Azerbaijan*. Manila; Independent Evaluation Department. 2011. *Performance Evaluation Report: Private Banks and Leasing Companies in Azerbaijan—Bank Respublika*. Manila: ADB; and ADB. 2017. *Technical Assistance Completion Report: Microfinance Sector Development in Azerbaijan*. Manila.

<sup>15</sup> ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach and Policy-Based Loan for Subprogram 1 to the Republic of Azerbaijan for the Improving Governance and Public Sector Efficiency Program*. Manila.

Operations Department's Financial Institutions Division and other ADB departments as appropriate. To enhance inter-agency coordination, Azerbaijan's Small and Medium Business Development Agency will support FIMSA as an implementation partner.

14. The implementation arrangements are summarized in Table 1.

**Table 1: Implementation Arrangements**

Aspects	Arrangements		
Indicative implementation period	January 2019–March 2020		
Executing agency	FIMSA		
Implementing agency <sup>a</sup>	FIMSA		
Consultants	To be selected and engaged by ADB		
	Firm: fixed-budget selection	International expertise (18 person-months) and national expertise (6 person-months)	\$441,700
Disbursement	TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, FIMSA = Financial Market Supervisory Authority, TA = technical assistance.

<sup>a</sup> FIMSA will promote proper coordination with relevant government stakeholders, such as the Ministry of Finance, Ministry of Taxes, Ministry of Agriculture, and the Central Bank of Azerbaijan.

Source: ADB.

15. **Consulting services.** The TA will require 18 person-months of international and 6 person-months of national intermittent consulting services (Table 2). ADB will engage a firm using fixed-budget selection, with lump-sum payments and output-based contracts to be considered, following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and staff instructions.<sup>16</sup> In consultation with FIMSA and ADB, the consultant firm will develop an appropriate knowledge product and deliver a presentation on major findings and recommendations at an agreed event.

**Table 2: Summary of Consulting Services**  
(person-month)

Consultant	International	National
Nonbank supervision and regulation expert and team leader	6	0
Pawnshop regulation expert	2	0
Credit union and cooperatives expert	2	0
Postal financial services regulation expert	3	0
Financial leasing expert	2	0
Rural finance expert	3	0
Financial inclusion expert	0	6
<b>Total</b>	<b>18</b>	<b>6</b>

Source: Asian Development Bank estimates.

#### IV. THE PRESIDENT'S DECISION

16. 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 to the Government of Azerbaijan for the Development of Nonbank Finance and Alternative Financial Instruments for Economic Diversification, and hereby reports this action to the Board.

<sup>16</sup> Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the TA is Aligned with</b> Availability of finance in local currency in non-oil productive sectors of the economy improved (Strategic Road Map for Financial Sector Development) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<b>Outcome</b> Appropriate nonbank and alternative financial services in local currency improved	By December 2020: a. NBCI local currency lending increased by at least 10% (2017 baseline: AZN413.9 million) <sup>b</sup>  b. Number of microfinance customers increased by 10% (June 2018 baseline: 181,400)  c. Agriculture credit as a share of bank and nonbank lending increased by 5% (2016 baseline: 3% of bank and nonbank lending)	a–c. FIMSA annual reports	Non-adoption of policies, laws, and regulations undermine FIMSA's authority.
<b>Outputs</b> 1. Policy, regulatory, and institutional framework for appropriate nonbank and alternative financial services improved  2. Consumer demand for appropriate nonbank and alternative financial services improved	By December 2019: 1a. At least 2 recommendations from the assessment report on the appropriateness of new nonbank and alternative financial services adopted by the FIMSA executive board (2018 baseline: no assessment conducted)  1b. At least 2 recommendations from the assessment report on the supervisory and regulatory capacity of FIMSA adopted by the FIMSA executive board (2018 baseline: no assessment conducted)  2a. Financial literacy and education program to improve consumer demand for appropriate nonbank and alternative financial services approved by the FIMSA executive board (2018 baseline: no program developed)  2b. At least xx beneficiaries, of whom xx are women, enhanced their understanding of the financial literacy and education program (2018 baseline: 0)	1a–b. Minutes of FIMSA executive board meetings and TA consultants' final report as published on the ADB website  2a. Minutes of FIMSA executive board meetings and TA consultants' final report as published on the ADB website  2b. Participants' feedback survey	Changes in administrative procedures in some relevant agencies hinder data access and delay completion of the report.

**Key Activities with Milestones****1. Policy, regulatory, and institutional framework for appropriate nonbank and alternative financial services improved**

- 1.1 Mobilize consultants and commence consultations with stakeholders by Q1 2019
- 1.2 Complete assessment of enabling environment for nonbank and alternative financial services by Q2 2019
- 1.3 Complete assessment of FIMSA's regulatory and supervisory capacity and recommend reforms by Q2 2019

**2. Consumer demand for appropriate nonbank and alternative financial services improved**

- 2.1 Mobilize consultants and commence consultations with stakeholders by Q1 2019
- 2.2 Complete review of consumer protection and legislation by Q2 2019
- 2.3 Complete development of financial literacy and education program by Q3 2019

**TA Management Activities**

Contract TA consultants within Q1 2019

Prepare prioritized and sequenced TA implementation plan by the end of Q1 2019

Continue regular reporting and supervision until the end of Q1 2020

Manage contracts from Q1 2019 to the end of Q1 2020

Ensure preparation of timely progress and financial reports until the end of Q1 2020

**Inputs**

ADB: \$500,000 (TASF- other sources)

Note: FIMSA will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.

ADB = Asian Development Bank, FIMSA = Financial Market Supervisory Authority, NBCI = nonbank credit institution, Q = quarter, TA = technical assistance, TASF = Technical Assistance Special Fund.

<sup>a</sup> Government of Azerbaijan. 2016. *Strategic Road Map on National Economic Perspectives*. Strategic road map 11 on financial services development. Baku.

<sup>b</sup> Lending has continued to decline. Baseline data updated as of 31 December 2018 will be obtained from FIMSA once available.

Source: ADB.

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

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	350.10
ii. National consultants	33.96
b. Out-of-pocket expenditures	
i. International and local travel	37.60
ii. Training, seminars, and conferences	25.00
iii. Reports and communications	10.00
2. Contingencies	43.34
<b>Total</b>	<b>500.00</b>

Note: The technical assistance is estimated to cost \$550,000, of which contributions from the Asian Development Bank are presented in the table above. The Financial Market Supervisory Authority will provide counterpart support in the form of counterpart staff, office accommodation and supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of government contribution is estimated to account for 9% of the total technical assistance cost.

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

Source: Asian Development Bank estimates.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/LinkedDocs/?id=52305-001-TARreport>

1. Terms of Reference for Consultants