

ANNUAL REPORT 2005



**FIRST**  
initiative

**Financial Sector Reform and Strengthening Initiative**

## **MISSION STATEMENT**

**FIRST aims to support growth and poverty reduction in developing countries through the promotion of robust and diverse financial sectors.**



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## ABOUT FIRST

The Financial Sector Reform and Strengthening Initiative (FIRST) is a \$65 million, multi-donor program whose overall objective is to strengthen financial systems in developing countries. FIRST is supported by the World Bank, the International Monetary Fund (IMF), and five bilateral donors: the Department for International Development of the United Kingdom, the Canadian International Development Agency, the State Secretariat for Economic Affairs of Switzerland, the Ministry of Foreign Affairs of the Netherlands, and the Swedish International Development Cooperation Agency.

FIRST provides technical assistance grants to recipients in developing and transition countries for capacity building and policy development in financial sector regulation, supervision, and development. Project ideas are introduced to FIRST either directly by country authorities or by official agency staff. FIRST responds quickly to requests for technical assistance and offers access to worldwide expertise. Projects can be country specific, regional, or global in scope.

FIRST also maintains Information Exchange, an online portal to disseminate information on financial sector development assistance, and AskFIRST, a help desk, to handle inquiries about financial sector development and FIRST activities.

One of FIRST's key objectives is to help countries implement recommendations of the Financial Sector Assessment Programs (FSAP) and Reports on the Observance of Standards and Codes (ROSC), administered by the World Bank and IMF, respectively. Other FIRST priorities include responding to clients' requests for rapid mobilization of resources supporting highly innovative initiatives to diversify financial sectors or for funding in amounts falling below other donors' minimum thresholds. FIRST often acts as a catalyst for wider donor intervention in a particular area and promotes projects that have a strong potential for replication.

FIRST supports regional initiatives as well as those in individual countries, taking advantage of its global reach, cross-sectoral focus, and ability to draw on solutions adopted in one country for application in others. During project design and implementation, FIRST consults other donors active in the area to enhance FIRST's overall impact, avoid duplication of effort, and encourage long-term support from traditional bilateral and multilateral donors.

FIRST is guided by a Governing Council and a Steering Committee, both comprised of senior representatives from participating bilateral donors, the World Bank, and the IMF. The Steering Committee approves larger projects and provides hands-on direction to FIRST's two executive arms — a Management Unit in London and a Coordination Unit in Washington. The Management Unit develops project ideas, designs projects, approves most FIRST projects, and contracts with individuals and firms to deliver technical assistance to clients. The Coordination Unit works with World Bank and IMF staff to support client countries in developing proposals, conducts due diligence on all proposals, establishes relationships with other donor agencies, and manages FIRST's web-based resources and help desk. It also organizes the delivery of sensitive or confidential technical assistance provided by multilateral agencies.



## MESSAGE FROM THE GOVERNING COUNCIL

During 2005, FIRST's performance strengthened considerably, and the program continued to gather momentum. FIRST committed \$14.6 million, a 47 percent increase over the previous year. By June 2005, FIRST's commitments had risen to \$29 million. That amount funded 165 technical assistance projects involving 55 developing and transition countries and covering almost all parts of the financial sector.

FIRST has not only assisted individual countries, but also has funded many regional initiatives in Africa, Europe and Central Asia, Latin America and the Caribbean, the Middle East and North Africa, and South Asia.

The year also saw FIRST become more active in supporting access to financial services for the poor and for small business and in the development of housing finance. FIRST has become especially active in supporting the diversification of financial sectors by facilitating the development of new products and, in several cases, in pioneering new solutions which, if successful, should have wide application in other parts of the world. Examples include livestock insurance in Mongolia, small and medium enterprise (SME) securitization in Peru, and housing microfinance in Colombia, all done in cooperation with the World Bank. Together with the IMF, FIRST has also supported the rollout of projects in Africa for the regulation of nonbank financial institutions and book entry systems for central bank management of government securities issuance and trading.

Sub-Saharan Africa continues to receive the largest proportion of FIRST's technical assistance, with 28 percent of the total number of projects. This reflects our emphasis on clients in low-income countries and the successful working relations that FIRST has developed with regional bodies such as the Southern Africa Development Community and with counterparts in the IMF and the World Bank.

FIRST has now been running long enough to show some tangible results and to gather meaningful feedback from clients and partner institutions. We are pleased that the feedback has been very positive and has enabled FIRST to improve its approach in some areas as well as confirming the strength of demand for the responsive, partnership-driven technical assistance that FIRST can support alone or in partnership with other donors.

2006 will see the consolidation of gains made in commitments and focus on improving disbursements. FIRST's donors will also start focusing on the future of FIRST beyond the commitment of the current available funds.

In closing we would like to thank everyone involved with FIRST, especially the organizations and governments that have sought technical assistance from FIRST, the teams operating the Coordination and Management Units of FIRST, and the consultants who have delivered the technical assistance. We also wish to thank the dedicated staff of the institutions that have partnered with FIRST in implementing its projects.

**Sharon White**

*Chair of the Governing Council,  
Financial Sector Reform and Strengthening Initiative*



O P E R A T I O N S R E V I E W

## PROJECT COMMITMENTS AND DISBURSEMENTS

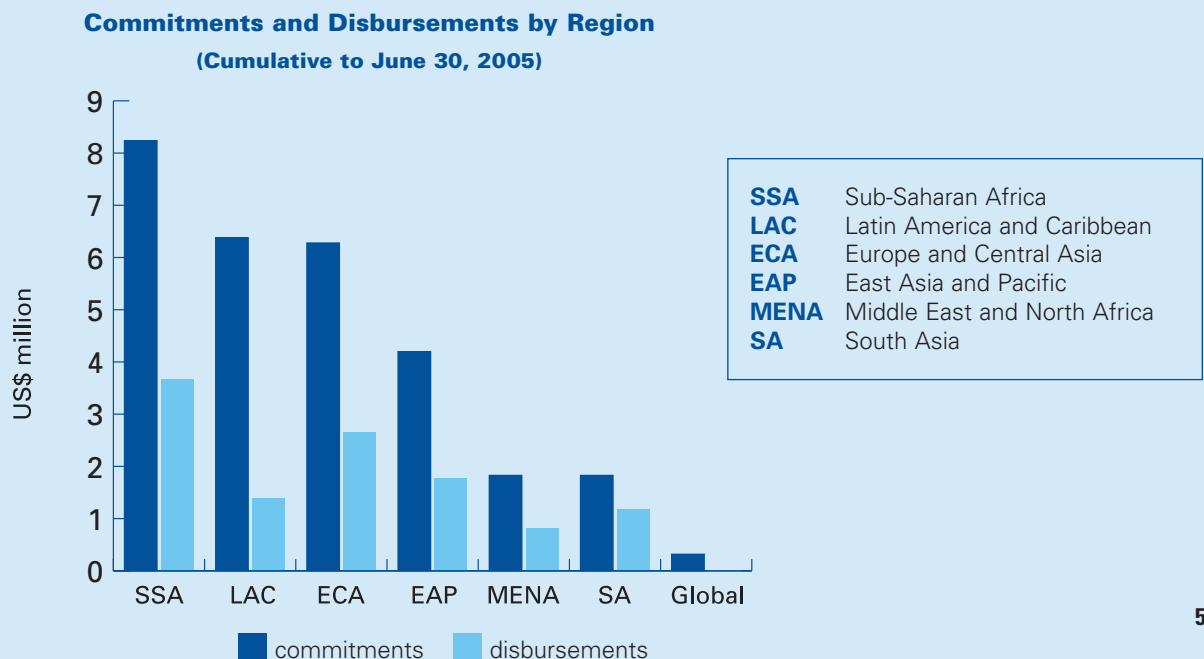
At the end of June 2005, FIRST had approved a cumulative total of 165 technical assistance projects, representing total commitments of \$29.1 million. During fiscal 2005 (July 1, 2004–June 30, 2005), 79 projects were approved, with commitments of \$14.6 million. This represented an increase from fiscal 2004, the first full year of FIRST’s operations, in which 60 projects totaling \$9.9 million were approved. Project commitments through June 30, 2005 are summarized in Annex I.

The number and value of projects grew in fiscal 2005 as FIRST became better known and undertook follow-on projects with its early clients. An increasing number of potential recipients have become aware of FIRST as a result of marketing efforts and referrals from existing clients. Feedback from clients and from the staff of development agencies clearly indicates that FIRST fills a gap for technical assistance.

FIRST funds projects for low-income and middle-income countries eligible to receive, respectively, credits from the International Development Association (IDA) and loans from the International Bank for Reconstruction and Development (IBRD). Project commitments for low-income countries began slowly but have grown steadily. In fiscal 2003, \$3.1 million was committed to low-income country projects. The figure for fiscal 2005 alone had more than doubled to \$6.6 million. Commitments to middle-income country projects grew more quickly than those to low-income countries. By the end of fiscal 2005, a cumulative total of \$15.8 million had been committed to middle-income country projects, \$8.0 million of which was committed in fiscal 2005.

In fiscal 2004, project disbursements were \$3.7 million. Disbursements increased to \$7.4 million in fiscal 2005. The increase reflects the acceleration of implementation as the portfolio of active projects has grown. Middle-income country projects accounted for almost 60 percent of all disbursements.

In fiscal 2005, the overall disbursement-to-commitment ratio for projects was 40 percent. The gap between project commitments and disbursements is primarily due to various steps required between the approval of a project and its completion, such as procurement, exchange of documentation, and implementation. The figure below presents the level of project commitments and disbursements by region as of June 30, 2005.

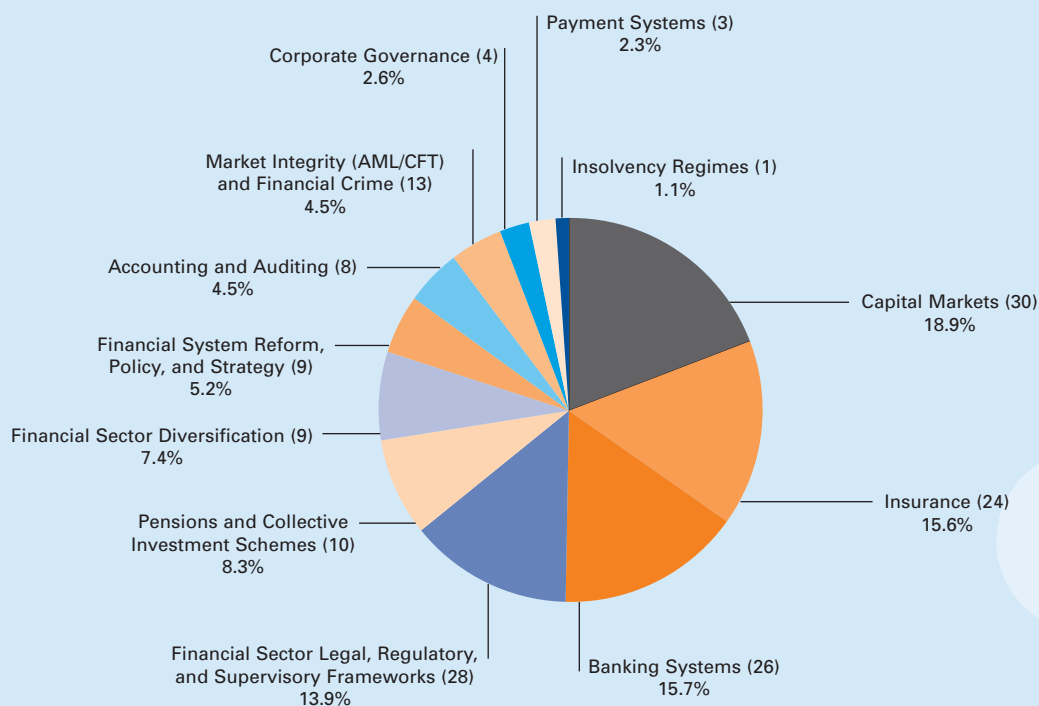


## COMMITMENTS BY SECTOR

Most requests for FIRST's assistance involve projects in the areas of capital markets, insurance and banking systems, and regulation and supervision of nonbank financial institutions (NBFIs). The sectoral distribution of projects is shown in the figure below.

The pattern of new commitments in fiscal 2005 changed little from the previous fiscal year. The sectors that showed the largest increase in commitment value were accounting and auditing, financial sector diversification, insurance, and corporate governance. The increases in these sectors reflect the limited availability of grant funding from other donors and FIRST's growing reputation for providing assistance in these areas. The sectoral breakdown of commitments in fiscal 2004 and fiscal 2005 is shown in the table on the following page.

**Number of Projects and Share of Total Value of Commitments  
(Cumulative to June 30, 2005)**





**SECTORAL BREAKDOWN OF FIRST COMMITMENTS, FY 2004 AND FY 2005  
(AS OF JUNE 30, 2005)**

Sector	FY 2004			FY 2005			Cumulative (including FY 2003)		
	Number of Projects	Commitments (in thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (in thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (in thousands of US dollars)	Share of Total Commitments (percent)
<b>Accounting and Auditing</b>	2	211	2.1	5	935	6.4	8	1,318	4.5
<b>Banking Systems</b>	10	1,693	17.1	15	2,772	19.0	26	4,552	15.7
<b>Capital Markets</b>	12	2,132	21.6	15	2,936	20.1	30	5,504	18.9
<b>Corporate Governance</b>	1	97	1.0	2	550	3.8	4	767	2.6
<b>Financial Sector Diversification</b>	3	362	3.7	4	1,089	7.5	9	2,142	7.4
<b>Financial Sector Legal, Regulatory, and Supervisory Frameworks</b>	11	1,971	19.9	12	1,366	9.4	28	4,040	13.9
<b>Financial System Reform, Policy, and Strategy</b>	4	364	3.7	3	594	4.1	9	1,500	5.2
<b>Insolvency Regimes</b>	0	0	0.0	1	333	2.3	1	333	1.1
<b>Insurance</b>	7	1,125	11.4	11	2,090	14.3	24	4,539	15.6
<b>Market Integrity and Financial Crime</b>	5	529	5.3	4	443	3.0	13	1,312	4.5
<b>Payment Systems</b>	1	220	2.2	1	248	1.7	3	653	2.3
<b>Pensions and Collective Investment Schemes</b>	4	1,191	12.0	6	1,229	8.4	10	2,420	8.3
<b>TOTAL</b>	<b>60</b>	<b>9,895</b>	<b>100.0</b>	<b>79</b>	<b>14,585</b>	<b>100.0</b>	<b>165</b>	<b>29,080</b>	<b>100.0</b>

**“FIRST Initiative has been the solution partner of the Capital Markets Board in a project to develop a market-based mortgage finance system in Turkey. FIRST’s involvement contributed greatly to the successful and prompt completion of the project, thanks both to the flexibility of FIRST in providing tailor-made solutions to various demands and to its timeliness in the disbursement of funds.”**

*Bahadir Teker,  
Deputy Head,  
Stock Exchange Commission,  
Turkey*



**"We very much appreciate the technical assistance granted by FIRST for the IFSB Corporate Governance Project, which will significantly strengthen corporate governance in the Islamic financial services industry. We admire the professionalism shown by the consultants at FIRST, and we certainly look forward to working with them again on future projects."**

*Sadna Saifuddin,  
Assistant Project Manager,  
Islamic Financial Services Board  
(IFSB), Malaysia*

## **COMMITMENTS BY COUNTRY OR REGION**

As of June 30, 2005, FIRST had made commitments to fund 129 country-specific projects, 36 regional projects, and 3 global projects. Many regional projects were technical workshops, conferences, and studies. The number of such projects almost doubled from fiscal 2004 to fiscal 2005 (from 9 to 16), but there was little change in the value of commitments.

The main change over the two periods was in country-specific projects, where both the number and value of commitments increased — by 14 and \$4.9 million. The regions with the largest country-specific commitments were Sub-Saharan Africa and Latin America and the Caribbean. In Africa, the increase stems from FIRST's efforts to raise awareness in the region and from follow-on work in key countries. In Latin America, the close working relationship with World Bank staff in support of country clients is the chief reason behind the increase, with Chile, Colombia, and Peru, in particular, benefiting from FIRST resources. The East Asia and Pacific region registered a decrease in its share of FIRST commitments in fiscal 2005, because of a large number of projects in China in fiscal 2004.

FIRST provided grant funding in excess of \$1 million per country to eight countries: Chile, China, Colombia, Kenya, Mauritius, Moldova, Mongolia, and Peru. Together, they accounted for \$10.6 million, or 42 percent of total country commitments. FIRST monitors its commitments in individual countries carefully to manage its risk exposure; no individual country can receive technical assistance in an amount greater than \$5 million.

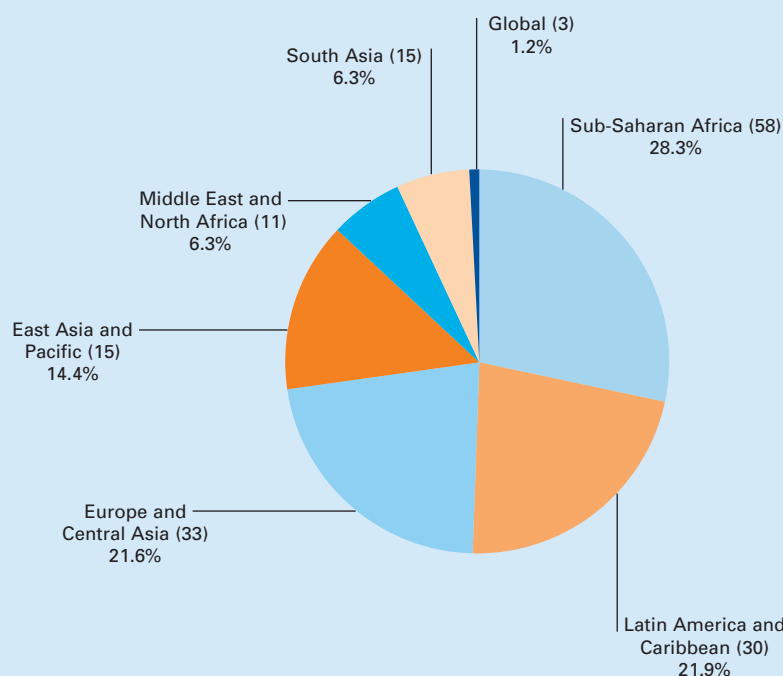
The table on the following page shows the geographic breakdown of FIRST's project commitments for fiscal 2004 and 2005. The accompanying figure presents a cumulative breakdown by region.



**GEOGRAPHIC BREAKDOWN OF FIRST COMMITMENTS, FY 2004 AND FY 2005  
(AS OF JUNE 30, 2005)**

Region	FY 2004			FY 2005			Cumulative (including FY 2003)		
	Number of Projects	Commitments (in thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (in thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (in thousands of US dollars)	Share of Total Commitments (percent)
East Asia and Pacific (EAP)	7	2,021	20.4	5	1,443	9.9	15	4,196	14.4
Europe and Central Asia (ECA)	11	1,577	15.9	14	3,425	23.5	33	6,280	21.6
Latin America and Caribbean (LAC)	7	1,574	16.0	18	4,221	28.9	30	6,378	21.9
Middle East and North Africa (MENA)	6	809	8.2	4	796	5.5	11	1,830	6.3
South Asia (SA)	10	1,110	11.2	3	296	2.0	15	1,829	6.3
Sub-Saharan Africa (SSA)	19	2,804	28.3	32	4,061	27.8	58	8,244	28.4
Worldwide	0	0		3	343	2.4	3	323	1.1
<b>TOTAL</b>	<b>60</b>	<b>9,895</b>	<b>100.0</b>	<b>79</b>	<b>14,585</b>	<b>100.0</b>	<b>165</b>	<b>29,080</b>	<b>100.0</b>

**Number of Projects and Share of Total Value of Commitments  
(Cumulative to June 30, 2005)**



39 different countries  
17 with more than 1 project  
21 regional projects

**“FIRST Initiative works very closely with recipient institutions, not just in the application process, but also during the execution of the projects. FIRST consultants’ attention to recipients’ needs is first class in terms of timeliness, quality, and flexibility.**

**FIRST Initiative consultants and the Central Bank work as a team to strengthen the financial system through projects recommended by the FSAP. Thanks FIRST!”**

*Luz Maria de Portillo,  
President,  
Central Bank,  
El Salvador*

## **WORKING WITH DONORS AND PARTNERS**

FIRST promotes coordination, communication, and partnership among donors. Since its inception in April 2002, it has developed informal and formal frameworks for cooperation with the major multilateral development banks and other key aid institutions.

Although FIRST projects often complement assistance provided by others, FIRST ensures that its activities do not substitute for or displace funds available from other donors. FIRST is able to provide funding for relatively small projects that other donors’ programs may not be able to support. Moreover, FIRST can respond quickly to technical assistance needs, while coordinating project design closely with other donors’ plans. FIRST projects can seed projects to be undertaken by other donors by establishing terms of reference for experts, or by funding workshops that crystallize technical assistance needs. The World Bank and IMF often provide policy advice in parallel to the technical assistance provided by FIRST consultants. FIRST also considers projects that are introduced by, or carry the endorsement of, experts working for other multilateral development banks and standard setters.

Due diligence has been essential to successful donor coordination. FIRST staff conduct due diligence for each project to avoid duplication and learn from experience. They share project details with the staff of official agencies, development banks, and donor organizations. FIRST’s effectiveness is greatly enhanced by the feedback it receives from the experts, whose guidance has been beneficial for refining project designs and in uncovering redundancies.

Due diligence and other forms of coordination have facilitated information sharing among donors and built relationships that have helped generate new projects. Last year, 60 percent of FIRST projects were generated through referrals, many from the World Bank and the IMF.

## WEB RESOURCES

### Information Exchange

<http://www.firstinitiative.org/InformationExchange/index.cfm>

The Information Exchange, an online portal designed for developing countries and donor agencies but accessible by anyone, disseminates information on assistance for financial sector development.

With more than 1,800 projects in 144 countries involving 44 partner organizations, the Information Exchange is the world's most comprehensive global database of financial sector development projects. Since June 30, 2004, more than 1,000 new projects have been added to the database.

The database can be searched by country, region, sector, funding agency, and start/completion dates to answer questions such as the following:

- What is FIRST doing in the insurance sector in Latin America?
- What examples of financial sector assistance have been funded in Kenya?
- What types of financial sector development work have been done in South Asia?
- What forms of assistance has my country received so far?
- What can my agency learn from the work of others?

In the past year, FIRST visited donor agencies, such as the Asian Development Bank and Deutsche Gesellschaft für Technische Zusammenarbeit, to introduce the Information Exchange and expand the knowledge it contains.

### AskFIRST

[AskFIRST@firstinitiative.org](mailto:AskFIRST@firstinitiative.org)

To expand on the Information Exchange, FIRST has established AskFIRST, a help-desk service. AskFIRST fields inquiries on financial sector development and FIRST activities. Staffed by the Coordination Unit, it is used by donors and recipients of financial sector development assistance.

## CONSULTANTS

FIRST's technical assistance projects are carried out by qualified consulting firms and individual consultants engaged under standards and procedures modeled on those used by the World Bank.

In 2002, FIRST carried out a worldwide procurement process to select a panel of firms and individuals to provide technical assistance. In late 2004, a follow-up was done to refresh the membership of the panel and improve its ability to meet FIRST's strategic objectives. With the exception of five firms that have in-house expertise in all areas of financial sector development, specialist firms and individuals make up the panel. The 2004 procurement cycle added panel members in the areas of housing finance and access to finance and expanded the scope and diversity of the consultants in several other areas. During fiscal 2005, FIRST awarded contracts valued at \$10.7 million, compared with \$6.6 million in fiscal 2004.

## **LOOKING AHEAD**

**Building on the results of a recent mid-term review and guidance from its donors, FIRST has begun to restructure its operational processes. In parallel with the restructuring, FIRST is developing a road map to guide its work with low-income countries and to increase disbursements in targeted regions through partnerships and new initiatives. FIRST will make efficient use of its remaining resources by identifying priorities — such as improving access of the poor to finance; following up on specific technical assistance needs emerging from joint Bank-Fund FSAP diagnostics; carrying out innovative and replicable projects dealing with housing, livestock and crop insurance, and nonbank financial institutions; and pursuing projects in support of regional harmonization.**

## ACCESS TO FINANCE IN PERU AND COLOMBIA



FIRST is working to widen access to financial services by low-income groups and small and medium enterprises (SMEs). An innovative SME project in Peru and a housing micro-finance project in Colombia, described below, illustrate this theme. Both are expected to generate results that may be replicated elsewhere in the world.

### Access to Capital Markets by SMEs in Peru

The World Bank, on behalf of Peru's securities regulator, the Comisión Nacional de Empresas y Valores (CONASEV), asked FIRST to help increase the amount of SME financing available through the capital market. The supply of investment products has not kept pace with growing demand from Peru's institutional investors. Enabling SMEs to access the capital markets will have the double effect of meeting demand from institutional investors for investment opportunities and strengthening SMEs as engines of economic growth.

Most lending to SMEs is channeled through small lenders such as *cajas municipales* and a few microfinance organizations. At the same time, SMEs hold substantial accounts receivable from large enterprises in the private and public sectors. By developing a program to securitize the loan portfolios of lenders, CONASEV and FIRST hope to free up liquidity for additional lending. And the new securitization funds based on SMEs' receivables will

give institutional investors a new investment vehicle.

FIRST has provided \$630,000 in technical assistance and is working alongside the World Bank, CONASEV, and other regulators to develop the regulatory framework, design investment products, build information and management systems, and strengthen the capacity of lenders and investment funds.

### Microfinance for Housing in Colombia

To enable families to acquire modest but sound accommodations equipped with essential utilities, FIRST is working with Colombia's Ministry of Housing and the United Nations Human Settlement Programme (UN-HABITAT) on a program that blends public subsidies with owner equity, while adding a guarantee and funding support to mitigate lenders' risk. The project requires careful coordination among the ministry, the Territorial Development Finance Company (the public agency involved in lender funding), the guarantee agency of the Ministry of Finance, and lenders engaged in housing microfinance.

Through a technical assistance grant of \$385,000, FIRST and its partners expect to streamline risk management, application processes, regulatory frameworks, and guarantee structures.

## IMPLEMENTING ZAMBIA'S FINANCIAL SECTOR DEVELOPMENT PLAN



FIRST is helping Zambia reform its financial sector through a series of projects. Following an FSAP assessment carried out in 2002, Zambia's authorities resolved to draft a plan to address the weaknesses identified in the assessment. Led by the Bank of Zambia, and with assistance from FIRST, financial regulators and industry participants completed the Financial Sector Development Plan in November 2003.

Several FIRST projects, with a total value of more than \$300,000, have been undertaken to help implement the plan. They include: (i) advice on policies for establishing and licensing a credit bureau; (ii) an assessment of the standards of private pension and insurance schemes and an evaluation of the policy and regulatory options; (iii) a capital market development project; and (iv) capacity building in the banking industry.

## HELPING NATIONAL STANDARD SETTERS APPLY INTERNATIONAL NORMS



The internationalization of financial activities and markets is forcing the convergence of regulatory standards and practices and placing a premium on transparency, disclosure, and exchange of information among national financial market regulators. Adherence to international standards not only enhances the enforcement capacity of regulators, but also encourages the inflow of foreign capital and the development of the domestic financial sector.

### Compliance with International Securities Standards in Costa Rica

In 2002, the International Organization of Securities Commissions (IOSCO) endorsed a multilateral memorandum of understanding on consultation, cooperation, and exchange of information among member regulators. The memorandum helps members combat cross-border fraud and other securities violations and encourages them to raise their national standards for securities market regulation. Before signing the memorandum, regulators must demonstrate that they have the legal and regulatory capacity to fulfill its terms and conditions.

Under a \$97,000 project approved in November 2004, FIRST is helping Costa Rica's securities supervisor, the Superintendencia General de Valores, to assess the legal, regulatory, and other barriers to its adherence to the memorandum. Key outputs of the project will be a set of recommendations to enable compliance by Costa Rica, as well as a model assessment methodology for use in other IOSCO member countries.



## REGULATION OF NONBANK FINANCIAL INSTITUTIONS IN SOUTHERN AFRICA



FIRST has been working with the Committee for Insurance, Securities, and Nonbanking Financial Authorities of the Southern Africa Development Community to strengthen member regulators by implementing a strategy of replicability.

In Botswana, Malawi, Namibia, and Swaziland, NBFIs play a significant role in insurance, provident funds, building societies, and savings and credit cooperatives. The state of development of the regulatory and supervisory frameworks for NBFIs in the region varies from country to country, but supervisory capacity needs considerable strengthening everywhere.

In all four countries the strategies developed with FIRST's support have included detailed business and implementation plans and detailed recommendations on legislative and regulatory changes. FIRST is now developing a coordinated technical assistance and training strategy to build on these projects and related initiatives.

**“The technical assistance extended by FIRST to the National Bank of Moldova has been thoroughly conceived from the very beginning, ensuring highly efficient and effective cooperation based on fair partnership relations. The cooperation, consideration, and understanding of actual needs displayed by FIRST staff and consultants resulted in the achievement of our objectives for the development of domestic money market instruments.”**

*Nina Savin,  
Director of the Market  
Operations Department,  
National Bank of Moldova*

**ANNEX 1. PROJECT COMMITMENTS BY REGION AND COUNTRY**  
(AS OF JUNE 30, 2005)

<b>Country Projects</b>	<b>Project Title</b>	<b>Sector</b>	<b>Commitments (in US dollars)</b>
<b>SUB-SAHARAN AFRICA</b>			
<b>Angola</b>	Project Formulation for Proposed NBFIs Sector Technical Assistance	Financial Sector Legal, Regulatory, and Supervisory Frameworks	15,000
<b>Botswana</b>	Nonbank Financial Institutions: Supervision and Strategy	Financial Sector Legal, Regulatory, and Supervisory Frameworks	175,000
	Scoping Mission for Supervision of Nonbank Financial Institutions	Financial Sector Legal, Regulatory, and Supervisory Frameworks	20,000
<b>Cameroon</b>	Capacity Building of the Financial Markets Commission	Capital Markets	175,000
<b>Gambia, The</b>	Implementation and Development of Central Bank Book Entry System	Capital Markets	73,000
<b>Ghana</b>	Rural Banking Restructuring	Banking Systems	87,000
<b>Kenya</b>	Strategy for Development Finance and Increasing Access to Financial Services	Banking Systems	250,000
	Reform of the Legal and Institutional Framework for Asset Financing	Insolvency Regimes	333,000
	Development of Audit Quality Review Program	Accounting and Auditing	99,000
	Central Bank of Kenya: Strengthening Business Processes	Banking Systems	470,000
	Development of Mortality and Morbidity Tables	Insurance	178,000
<b>Lesotho</b>	Insurance Sector Strengthening	Insurance	212,400
<b>Malawi</b>	NBFI Capacity Building Strategy	Financial Sector Legal, Regulatory, and Supervisory Frameworks	112,000
<b>Mauritania</b>	Strengthening Microfinance Supervision	Financial Sector Diversification*	30,000
<b>Mauritius</b>	Preparation of a Code of Corporate Governance	Corporate Governance	120,000
	Implementing Effective AML/CFT Measures	Market Integrity and Financial Crime (Anti-Money Laundering)	121,000
	Strengthening Securities and Listing Regulations	Capital Markets	197,000
	Establishing Second-Tier Securities Market and Restructuring the Over-the-Counter Market	Capital Markets	170,000
	Establishing a Financial Reporting Council	Accounting and Auditing	300,000
	Assistance with Drafting Securities Legislation	Capital Markets	65,000
	Development of Selected Nonbank Financial Regulations	Financial Sector Legal, Regulatory, and Supervisory Frameworks	360,000
<b>Namibia</b>	NAMFISA: Development of Capacity Building Strategy	Financial Sector Legal, Regulatory, and Supervisory Frameworks	120,000
	Viability of Second-Tier Banking	Banking Systems	100,000

<b>Country Projects</b>	<b>Project Title</b>	<b>Sector</b>	<b>Commitments (in US dollars)</b>
<b>SUB-SAHARAN AFRICA</b>			
<b>Rwanda</b>	Linking Payment Systems for Banks and Service Providers	Payment Systems	248,000
	Developing a Microfinance Credit Information Bureau	Financial Sector Diversification	245,000
<b>Sierra Leone</b>	Advice on Developing Markets and Institutions for Long-Term Capital	Capital Markets	75,000
	Implementation of Central Bank Book Entry System	Capital Markets	69,000
	Supervision of NBFIs: Assessment and Capacity Building	Financial Sector Legal, Regulatory, and Supervisory Frameworks	272,000
	Implementation of Capital Market Development Plan	Capital Markets	345,000
<b>South Africa</b>	Accounting and Auditing Legislation	Accounting and Auditing	145,000
	Review of the Proposed Strategy for Integration of Financial Regulations	Financial Sector Legal, Regulatory, and Supervisory Frameworks	21,000
<b>Swaziland</b>	Supervision of NBFIs: an Initial Assessment and Proposed Strategy	Financial Sector Legal, Regulatory, and Supervisory Frameworks	127,168
	Improving Access to the Financial Sector	Financial System Reform, Policy, and Strategy	160,000
	Implementation of Central Bank Book Entry System	Accounting and Auditing	66,000
	Review Draft Bill for the Establishment of the FSRA	Financial Sector Legal, Regulatory, and Supervisory Frameworks	7,500
<b>Tanzania</b>	Development of an FSAP Follow-up Strategy Plan	Financial System Reform, Policy, and Strategy	28,000
<b>Uganda</b>	Support for the Implementation of Collective Investment Schemes Legislation	Financial Sector Legal, Regulatory, and Supervisory Frameworks	124,500
	Advice on Establishing a Consolidated Supervisor for NBFIs	Financial Sector Legal, Regulatory, and Supervisory Frameworks	90,000
<b>Zambia</b>	Advice on Proposed Financial Sector Development Plan	Financial System Reform, Policy, and Strategy	34,150
	Pensions and Insurance Supervisory Strengthening	Pensions and Collective Investment Schemes	128,000
	Regulatory Implications of a Credit Rating Agency	Banking Systems	60,000
	Institute of Bankers: Training and Education Strategy	Banking Systems	49,000
	Development of Capacity Building Action Plan	Capital Markets	90,000

Country Projects	Project Title	Sector	Commitments (in US dollars)
<b>SUB-SAHARAN AFRICA</b>			
<b>Regional</b>	West African Monetary Institute (WAMI): Banking Supervision Study	Financial Sector Legal, Regulatory, and Supervisory Frameworks	123,747
	Eastern and Southern Africa: Regional Bank Supervisors Leadership Program (Toronto Centre)	Financial Sector Legal, Regulatory, and Supervisory Frameworks	192,000
	CEMAC Region: Development of Long-Term Finance (Debt Market)	Financial Sector Diversification	520,000
	SADC Development Finance Resource Centre : Needs Analysis and Skills Audit of DFIs	Banking Systems	80,000
	Training Evaluators in AML/CFT Assessment	Market Integrity and Financial Crime (Anti-Money Laundering)	118,000
	Strengthening Payment Systems in Botswana, Swaziland, and Sierra Leone	Payment Systems	220,000
	ESAAMLG: AML/CFT Strategy Development for Member Countries	Market Integrity and Financial Crime (Anti-Money Laundering)	154,400
	WAMI: Externally Assisted Self-Assessment of Basel Core Principles	Financial Sector Legal, Regulatory, and Supervisory Frameworks	155,000
	Prudential Standards for Development Finance Institutions in Africa	Banking Systems	105,000
	Capacity Building for East African CIS Regulators	Pensions and Collective Investment Schemes	8,000
	Regional Training Seminar for Insurance Supervision	Insurance	86,000
	Regional Workshop on Tiered Banking Regulations	Banking Systems	13,000
	Strengthening AML/CFT Regimes in Portuguese-Speaking Countries	Financial Market Integrity	93,000
	Capacity Building in Banking Supervision	Banking Systems	70,000
	African Trade Insurance Agency: Technical Assistance on Proposed Development of Credit Risk Insurance Services	Financial Sector Diversification	139,000
<b>Regional Total</b>			<b>8,243,865</b>
<b>EAST ASIA AND PACIFIC</b>			
<b>China</b>	Regulation and Supervision of Corporate Pensions	Pensions and Collective Investment Schemes	625,000
	Strengthening Regulation and Supervision of Securities Firms	Financial Sector Legal, Regulatory, and Supervisory Frameworks	375,000
	Amendments to Securities Law	Capital Markets	367,000
	Regulation of the Distribution of Securities Investment Funds	Pensions and Collective Investment Schemes	269,000

<b>Country Projects</b>	<b>Project Title</b>	<b>Sector</b>	<b>Commitments (in US dollars)</b>
<b>EAST ASIA AND PACIFIC</b>			
<b>Indonesia</b>	Secondary Markets Capacity Building	Capital Markets	123,300
	Strategic Advice on Pension Reform	Pensions and Collective Investment Schemes	170,000
<b>Lao People's Democratic Republic</b>	Development of a Rural and Microfinance Strategy and Legal and Regulatory Framework	Financial System Reform, Policy, and Strategy	167,200
	Survey of Rural and MicroFinance	Financial System Reform Policy and Strategy	130,000
<b>Mongolia</b>	Technical Assistance for Developing Insurance Supervisory Framework and Legal Framework for Livestock Insurance	Insurance	419,700
	Technical Assistance for Developing Index-Based Livestock Insurance	Insurance	592,000
<b>Philippines</b>	Development and Implementation of a Non-Life Insurance Supervisory Information System	Insurance	145,000
	Building Training Capacity in Banking Supervisions	Banking Systems	411,000
<b>Thailand</b>	Assisted Self-Assessment of Selected Financial Sector Core Principles	Financial Sector Legal, Regulatory, and Supervisory Frameworks	150,000
<b>Regional</b>	Training Evaluators in AML/CFT Assessment	Market Integrity and Financial Crime (Anti-Money Laundering)	132,000
	Workshop on Self-Assessment of Selected IAIS Insurance Core Principles	Insurance	120,000
<b>Regional Total</b>			<b>4,196,200</b>
<b>EUROPE AND CENTRAL ASIA</b>			
<b>Armenia</b>	Insurance Supervisory Restructuring and Strengthening	Insurance	76,896
	Insurance Regulation Drafting and Capacity Building	Insurance	212,000
<b>Azerbaijan</b>	Capacity Building for Establishing Nonbank Corporate Bonds Market	Capital Markets	490,000
<b>Bulgaria</b>	Strengthening of Supervisory Capacity of the Financial Services Commission	Financial Sector Legal, Regulatory, and Supervisory Frameworks	280,000
	Feasibility Study for a Financial Derivatives Market	Banking Systems	41,000
<b>Georgia</b>	Debt Securities Market Strategy	Capital Markets	59,500
	Insurance Supervisory Strengthening	Financial Sector Legal, Regulatory, and Supervisory Frameworks	193,852

<b>Country Projects</b>	<b>Project Title</b>	<b>Sector</b>	<b>Commitments (in US dollars)</b>
<b>EUROPE AND CENTRAL ASIA</b>			
<b>Kazakhstan</b>	Insurance Sector Strategic Advice and Regulatory Assistance	Insurance	165,000
<b>Kosovo</b>	Kosovo Strengthening Insurance Supervision	Insurance	175,000
	Strengthening Third-Party Liability Motor Insurance System: Phase 1	Insurance	45,000
<b>Kyrgyzstan</b>	Assistance on the Privatization of Kairat Bank	Financial System Reform, Policy, and Strategy	375,000
	Drafting Deposit Insurance Legislation	Banking Systems	39,000
	Capacity Building at the Savings and Settlement Company (SSC Bank)	Banking Systems	357,000
	Medium-Term Strategy for Microfinance Development	Financial System Reform, Policy, and Strategy	166,000
<b>Lithuania</b>	Insurance Supervision Strengthening	Insurance	200,000
	Accounting and Audit Reform	Accounting and Auditing	172,000
	Effective Application of Audit Standards	Accounting and Auditing	99,000
<b>Macedonia</b>	Reform of Compulsory Motor Vehicle Insurance System	Insurance	323,000
<b>Moldova</b>	Development of Money Market Instruments	Financial Sector Legal, Regulatory, and Supervisory Frameworks	86,000
	Strengthening Insurance Supervision	Insurance	249,000
	Strengthening the Accounting, Auditing, and Financial Reporting Framework	Accounting and Auditing	218,000
	Corporate Governance Reform	Corporate Governance	375,000
	Development of Money Market Instruments: Implementation	Banking Systems	246,000
<b>Poland</b>	Access to Long-Term Finance for Rural Communes	Capital Markets	254,300
<b>Romania</b>	Strengthening the AML Regulations for the Securities Market	Market Integrity and Financial Crime (Anti-Money Laundering)	61,000
<b>Russian Federation</b>	Building Capacity of a Self Regulatory Organization to Support the Federal Regulator of Pension Funds	Pensions and Collective Investment Schemes	400,000
<b>Slovak Republic</b>	Strengthening Corporate Governance of Listed Companies	Corporate Governance	97,000
	Technical Assistance to the Financial Market Authority	Capital Markets	98,500
	Strengthening Bank Corporate Governance	Banking Systems	66,000

Country Projects	Project Title	Sector	Commitments (in US dollars)
<b>EUROPE AND CENTRAL ASIA</b>			
<b>Turkey</b>	Secondary Mortgage Market Development	Financial System Reform, Policy, and Strategy	400,000
<b>Ukraine</b>	Assistance to Nonbank Financial Institution Regulator	Financial Sector Legal, Regulatory, and Supervisory Frameworks	137,000
<b>Regional</b>	AML/CFT workshop	Market Integrity and Financial Crime (Anti-Money Laundering)	100,067
	CIS-7 : Seminar on Financial Sector Issues	Financial Sector Legal, Regulatory, and Supervisory Frameworks	22,674
<b>Regional Total</b>			<b>6,279,789</b>
<b>LATIN AMERICA AND CARIBBEAN</b>			
<b>Belize</b>	Central Bank of Belize: Organizational Review	Banking Systems	201,000
<b>Chile</b>	Roadmap for Strengthening Solvency Control in the Insurance Industry	Insurance	186,000
	Strengthening Regulation of Pension Funds	Pensions and Collective Investment Schemes	280,000
	Implementing Risk-Based Supervision in the Securities Industry	Capital Markets	530,000
	Adoption of International Financial Reporting Standards for Listed Companies	Accounting and Auditing	219,000
<b>Colombia</b>	Developing the Supervisory and Regulatory Framework for Collective Investment Schemes	Financial Sector Legal, Regulatory, and Supervisory Frameworks	230,000
	Mortgage Finance Capacity Building	Financial Sector Diversification	171,000
	Terrorism Loss Insurance Fund	Insurance	245,200
	Money Market Development	Capital Markets	340,000
	Development of Housing Microfinance	Financial Sector Diversification	390,000
	Enhancement of the Capital Market Self-Regulatory System	Financial Sector Legal, Regulatory, and Supervisory Frameworks	165,000
<b>Costa Rica</b>	Advice on Achieving Compliance with IOSCO MMoU	Capital Markets	97,000
<b>Dominican Republic</b>	Feasibility Study for Role of the Stock Market in Broadening the Capital Market	Capital Markets	23,000
<b>El Salvador</b>	Strengthening Public Financial Institutions	Banking Systems	147,000
	Strengthening Framework for Consolidated Supervision of Financial Conglomerates	Financial Sector Legal, Regulatory, and Supervisory Frameworks	175,000
	IOSCO Self-Assessment	Capital Markets	54,000

Country Projects	Project Title	Sector	Commitments (in US dollars)
<b>LATIN AMERICA AND CARIBBEAN</b>			
<b>Peru</b>	Improving Risk-Based Management in the CIS Industry	Pensions and Collective Investment Schemes	243,000
	Improving SME Access to the Capital Markets	Capital Markets	630,000
	Housing Finance Development	Financial Sector Diversification	530,000
<b>Regional</b>	Eastern Caribbean Securities Exchange: Technical Assistance to Select and Recruit Custodian to Support Cross-Listings	Capital Markets	108,000
	Eastern Caribbean Central Bank (ECCB): Improving Payment Systems	Payment Systems	185,000
	Strengthening the Regulatory and Supervisory Environment for OECS Credit Unions	Financial Sector Diversification	87,000
	AML/CFT Evaluator Training Workshop for Spanish-Speaking Countries	Market Integrity and Financial Crime (Anti-Money Laundering)	64,000
	AML/CFT Workshop for Caribbean Regulators of Company and Trust Services Providers	Market Integrity and Financial Crime (Anti-Money Laundering)	96,500
	Eastern Caribbean Securities Exchange: Development of a Unified Rulebook	Capital Markets	74,000
	Strengthening Financial Security Integrity (AML/CFT Workshop)	Market Integrity and Financial Crime (Anti-Money Laundering)	85,000
	Strengthening Credit Reporting Systems	Banking Systems	487,000
	GAFISUD: AML/CFT Assessment Evaluators Training	Market Integrity and Financial Crime (Anti-Money Laundering)	180,000
	Regional Insurance Supervisors Leadership Program	Insurance	121,000
	GAFISUD: AML/CFT Workshop	Market Integrity and Financial Crime (Anti-Money Laundering)	34,265
<b>Regional Total</b>			<b>6,377,965</b>
<b>MIDDLE EAST AND NORTH AFRICA</b>			
<b>Egypt, Arab Rep. of</b>	Strengthening Egypt's Credit Reporting System	Banking Systems	179,000
	Project Formulation for Proposed Banking Sector Technical Assistance (Project Refinement and Term-of-Reference Development)	Banking Systems	20,400
	Strengthening Management and Supervision of Payment Systems	Banking Systems	334,000
	Credit-Reporting System Strengthening	Banking Systems	168,000



Country Projects	Project Title	Sector	Commitments (in US dollars)
<b>MIDDLE EAST AND NORTH AFRICA</b>			
<b>Egypt, cont.</b>	Strengthening Data Analysis, Supervision of Market Risks, Connected Lending, and Large Exposures	Banking Systems	120,000
<b>Jordan</b>	Actuarial Supervision Capacity Building at the Insurance Commission	Financial Sector Legal, Regulatory, and Supervisory Frameworks	225,100
	Development of a Supervisory Ladder and Supervisory Strengthening	Insurance	125,000
<b>Lebanon</b>	Review and Drafting of a New Insurance Law	Insurance	108,000
	Capital Markets Supervisory and Regulatory Authority Strengthening	Capital Markets	211,000
<b>Morocco</b>	Technical Assistance Support for Pension Reform	Pensions and Collective Investment Schemes	170,000
<b>Regional</b>	Regional Training Seminar for Insurance Supervision	Insurance	169,000
<b>Regional Total</b>			<b>1,829,500</b>
<b>SOUTH ASIA</b>			
<b>Bangladesh</b>	Insurance Law Reform	Insurance	59,000
	Reducing Interest Rate Spreads	Financial System Reform, Policy, and Strategy	40,000
	Capacity Building for Capital Market Intermediaries	Capital Markets	27,000
<b>India</b>	Insurance Tariff Advisory Committee (TAC): Capacity Building for Transition from Uniform Tariff System to Risk-Based Approach	Insurance	270,000
<b>Pakistan</b>	Bank Supervision Risk Assessment Model	Banking Systems	212,000
	Development of Banking Sector Uniform Chart of Accounts	Banking Systems	240,000
	Project Design for Assistance to the State Bank of Pakistan	Financial Sector Legal, Regulatory, and Supervisory Frameworks	9,200
<b>Sri Lanka</b>	Training for the Forex Industry	Financial Sector Diversification	29,898
	Regulating Securities Market Intermediaries	Capital Markets	90,000
	Strengthening Actuarial Supervision Capacity	Insurance	57,000
	Securities and Exchange Commission of Sri Lanka: Supervision Capacity Strengthening	Capital Markets	246,000
	Assistance in Drafting Securitization Act	Capital Markets	180,000

<b>Country Projects</b>	<b>Project Title</b>	<b>Sector</b>	<b>Commitments (in US dollars)</b>
<b>SOUTH ASIA</b>			
<b>Sri Lanka, cont.</b>	Strengthening the Regulatory Framework for Private Pension Funds	Pensions and Collective Investment Schemes	127,000
<b>Regional</b>	South Asian Federation of Exchanges (SAFE): Strengthening Stock Exchange Listing Regulations in Member Countries	Capital Markets	153,300
	Developing Model Listings Regulations	Capital Markets	89,000
<b>Regional Total</b>			<b>1,829,398</b>
<b>GLOBAL</b>			
	Islamic Financial Services Board: Strengthening Corporate Governance Standards in Islamic Financial Services Institutions	Corporate Governance	175,000
	Development of Guidelines to Assist Developing Countries in the Implementation of FATF Recommendations	Market Integrity and Financial Crime (Anti-Money Laundering)	73,000
	Workshop for International and Offshore Financial Centre Supervisors	Financial Sector Legal, Regulatory, and Supervisory Frameworks	75,000
<b>Global Total</b>			<b>323,000</b>
<b>GRAND TOTAL</b>			<b>29,079,717</b>

\* Financial sector diversification is a broad sector category that includes microfinance, housing finance, and access to financial services



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