



FIRST
initiative

ANNUAL REPORT 2008


**Financial Sector Reform
and Strengthening Initiative**

MISSION STATEMENT

By promoting robust and diverse financial sectors, FIRST aims to support economic growth and reduce poverty and income inequality in low- and middle-income countries.

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“FIRST Initiative has provided funding to the Eastern Caribbean Securities Exchange (ECSE) for two critical projects aimed at creating the infrastructure necessary to promote cross-listings and to develop a unified rulebook. This assistance has led to increased listings and to enhanced operational efficiency and conformity to the market principles of the World Federation of Exchanges (WFE). FIRST’s contribution to the ECSE in its formative stages has been invaluable. FIRST has been a true partner in the development of the market in the Eastern Caribbean region.”

Trevor E. Blake
General Manager/CEO
Eastern Caribbean Securities Exchange

ABOUT FIRST

FIRST is a multidonor grant facility providing technical assistance to promote financial sector development.

Launched in 2002 by the Canadian International Development Agency (CIDA), the Department for International Development of the United Kingdom (DFID), the International Monetary Fund (IMF), the Ministry of Foreign Affairs of The Netherlands, the State Secretariat for Economic Affairs of Switzerland (SECO), the Swedish International Development Cooperation Agency (Sida), and the World Bank, FIRST is guided by a Governing Council composed of senior representatives of its participating donors and managed by a Program Management Unit based at the World Bank headquarters in Washington, D.C.

Objectives

FIRST focuses on delivering top-quality technical assistance in the short to medium term. It does so quickly, flexibly, and with a minimum of bureaucracy. FIRST has established a distinct role in financial sector development as a niche provider of small technical assistance projects.

One of FIRST's key objectives is to facilitate systematic follow-up to assessments made by the joint World Bank–IMF Financial Sector Assessment Program (FSAP) and to Reports on the Observance of Standards and Codes (ROSCs). In addition, FIRST supports eligible countries in advance of participation in FSAP or implementation of ROSCs as they strengthen their financial systems and implement internationally recognized standards and codes.

Other FIRST priorities include (a) responding to requests for help that are below other donors' minimum thresholds, (b) acting as a catalyst for wider donor intervention in a particular area, and (c) promoting projects that present a strong potential for replication. FIRST is well placed to offer both a regional and multicountry approach.

Activities and Implementation

FIRST supports activities and interventions mainly in the public sector, principally by providing technical assistance to policy makers and regulatory bodies. Primary areas of activity are:

- Financial sector reform strategy and policy advice
- Advisory services to strengthen regulatory and supervisory frameworks
- Financial sector market development and institution building
- Risk management
- Capacity building

FIRST-funded technical assistance is carried out primarily by private sector experts. In addition, World Bank and IMF staff may be involved in managing projects and providing policy advice.

Eligibility

Eligible applicants are policy makers, regulatory bodies, government agencies, and—under limited circumstances—quasi-public institutions such as self-regulating organizations and industry associations.

Beneficiaries of FIRST assistance must operate in countries classified by the World Bank as low- or middle-income countries at the time project proposals receive final approval. Low-income countries are those defined by the World Bank as eligible to receive low- or no-interest loans and grants from the International Development Association. Middle-income countries are those defined as eligible to receive loans from the International Bank for Reconstruction and Development.

Project proposals must be submitted directly to FIRST by eligible applicants. Staff of the World Bank, the IMF, and other official multilateral and bilateral development agencies may assist eligible recipients in preparing and submitting proposals.

FROM THE CHAIR OF THE GOVERNING COUNCIL

On behalf of FIRST's donors, I am pleased to report continued success in carrying out FIRST's mission. In its sixth year of operations, FIRST has extended technical assistance to more than 70 low- and middle-income countries through 273 country-based and regional projects valued at \$50.7 million. But FIRST's success goes beyond its quantifiable achievements. Equally noteworthy in fiscal year 2008 were the successful efforts made to sharpen the focus of the program and thus to enhance its impact.

The financial sectors of the world's low- and middle-income countries have evolved since FIRST's inception in 2002. In view of those changes, and new regional initiatives that fill various development support gaps, FIRST revisited its strategic focus in 2008. That exercise reaffirmed the principal elements that constitute FIRST and identified areas of concentration for higher-impact technical assistance.

FIRST's overall mission remains the same: to strengthen the financial sectors of low- and middle-income countries with the aim of reducing poverty and income inequality. FIRST will maintain its demand-driven and quick-response approach to targeted interventions of small and medium size. Legal and regulatory frameworks, the main area of FIRST's past support, appear likely to remain important, given recent demand trends. New areas of assistance, such as financial crisis preparedness and management, may emerge as dictated by global financial conditions.

Within this general framework, support to low-income countries, specifically in Africa, is a priority for FIRST. Wherever possible, FIRST's assistance aims to build on analytical underpinnings such as FSAP and ROSC diagnostics and recommendations. In addition, FIRST will continue to provide assistance that complements (but does not replace) the efforts of other donors, while promoting partnerships with stakeholders in the financial sector, in line with the Paris Declaration on Aid Effectiveness.

FIRST's approach has been and remains results-oriented. In fiscal 2008, FIRST made significant progress in developing a monitoring and evaluation framework that sets the indicators for project and program success and forms the basis for future evaluations of FIRST. The results obtained from successive evaluations will improve performance by feeding into FIRST's internal and external knowledge management and dissemination program.

Tightening the program's focus—through strategic adjustments, monitoring and evaluation, and knowledge management—was a key accomplishment in fiscal 2008. Donors have been supportive of FIRST's future direction. I join them in thanking FIRST's Program Management Unit, the initiative's client governments and organizations, the consultants who have successfully delivered our programs, the members of the staff of the World Bank and IMF who have advised and supported projects, and the many regional and international organizations that have partnered with FIRST. FIRST will continue to build on its successes and serve as an agile provider of assistance for financial sector development.

Jean-Luc Bernasconi

Chair of the Governing Council
Financial Sector Reform and Strengthening Initiative

FROM THE PROGRAM MANAGER

Fiscal 2008 was the first full year of FIRST's second phase of operations (Phase II). It followed a successful restructuring in 2007, which in turn followed the completion of FIRST's initial four-year term (Phase I). In the restructuring, FIRST consolidated its operations and fiduciary functions within a Program Management Unit administered by the World Bank on behalf of FIRST's donors. FIRST's extension to 2012 was the donors' validation of the program's value in the niche market of development assistance for the financial sector.

During the year, FIRST achieved greater operational efficiency while devoting considerable attention to adjusting its strategic directions. The program gathered momentum: as some 30 projects were brought to successful completion another 30 were approved, at a value of \$8 million. FIRST supported 20 individual countries and six regional initiatives, five of which were in Africa. A large majority of the commitments made in fiscal 2008 were to low-income countries.

In alignment with FIRST's strategic positioning, Sub-Saharan Africa absorbs the largest portion of the initiative's technical assistance, accounting for 43 percent of the projects approved in fiscal 2008. This year FIRST launched an outreach program that focused on Francophone Africa. Under the program, FIRST participated in regional and donor conferences, provided cross-support for various financial sector development programs, visited prospective and current client countries to promote FIRST, and developed new project proposals while continuing to monitor existing ones. Additionally, FIRST took steps to use more local consulting services and launched a call for expressions of interest from highly qualified African firms and individual consultants to provide services in Africa.

FIRST amplified its close collaboration with the World Bank and IMF to follow up on recommendations made in the diagnostic exercises conducted under FSAP and in ROSCs. The past year saw a record 18 FSAP-related and four ROSC-related project approvals. Fully 73 percent of the projects approved during the year had FSAP and ROSC support. That percentage is particularly notable when compared with the cumulative portfolio share of 32 percent.

The year also saw increased collaboration with regional bodies, donors' bilateral programs, and multilateral institutions. FIRST aims to have a catalytic impact and to fill gaps not covered by other programs. Collaborative efforts include aligning priorities and leveraging each program's expertise to avoid duplication of assistance and to create heightened synergies in financial sector development.

FIRST's relevance to economic development and its contributions to financial sector development continue to grow. FIRST receives strong guidance from its donors and strives to strengthen its performance and the links between FIRST's program activities and the development of robust and diverse financial sectors in developing countries.

David Dellen

Program Manager
Financial Sector Reform and Strengthening Initiative

OPERATIONS REVIEW

PROJECT COMMITMENTS AND DISBURSEMENTS

By the end of June 2008, FIRST had committed a cumulative total of \$50.7 million toward 273 technical assistance projects in 76 low- and middle-income countries. Of these projects, 60 were regional initiatives.

During fiscal 2008—the period from July 1, 2007, to June 30, 2008—FIRST approved 30 projects with a value of \$8 million that included 1 global and 7 regional projects. The value of commitments represents a 13 percent increase over the last fiscal year (Figure 1). Contributing to the accelerated pace of project approval were more efficient processes for project evaluation and approval achieved since FIRST’s transition to a World Bank–administered trust fund in March 2007.

Detailed information on FIRST’s finances and project approvals is presented in the annexes. Annex I provides the financial overview for fiscal 2008. Annex II presents a summary of the projects approved in fiscal 2008. Annex III lists FIRST projects cumulatively by region and country. Annex IV presents a map of low- and middle-income countries as defined by World Bank credit and loan eligibility.

FIRST draws from two funds, one designated for projects in low-income countries and the other for projects in middle-income countries. FIRST has consistently prioritized assistance to low-income countries, partly for strategic reasons and partly because of the smaller size of the fund for middle-income countries. In fiscal 2008, low-income countries received \$5.5 million in FIRST commitments, an increase of approximately 30 percent over the previous year (Figure 2). Middle-income countries received \$1.6 million, while \$0.9 million was committed to regional projects that support both low- and middle-income countries (labeled “blend” in the figure).

FIRST disbursed \$6.6 million during the fiscal year, bringing cumulative disbursements to \$37.6 million. Figure 3 compares disbursements and commitments in each fiscal year since 2003. The wide gap between commitments and disbursements in fiscal 2008 is due to a large number of newly launched projects that are not advanced in implementation; \$1.2 million was disbursed for projects approved in this fiscal year. The annual data in the figure also reflect ongoing projects from past fiscal years.

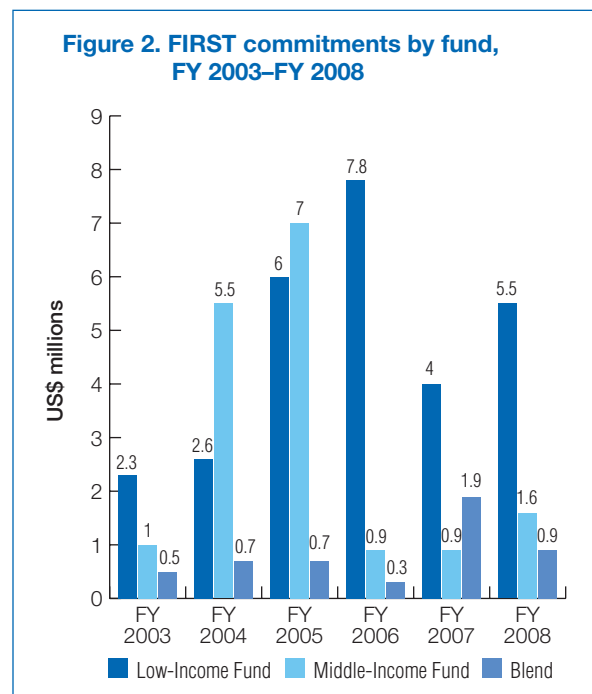
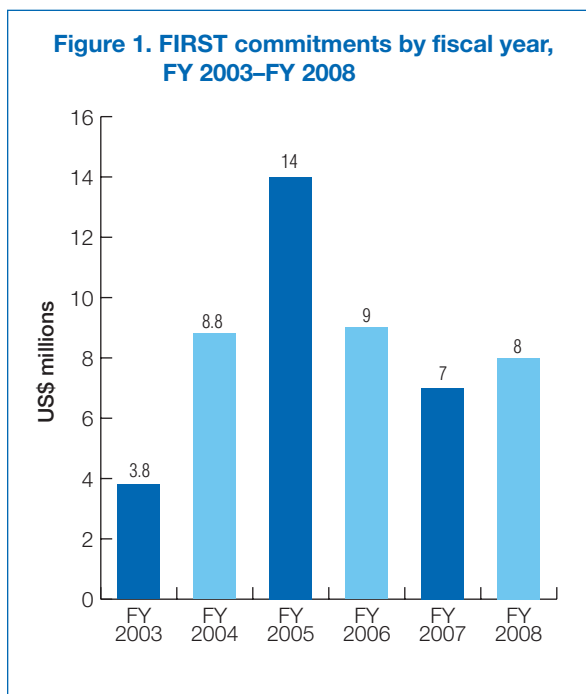
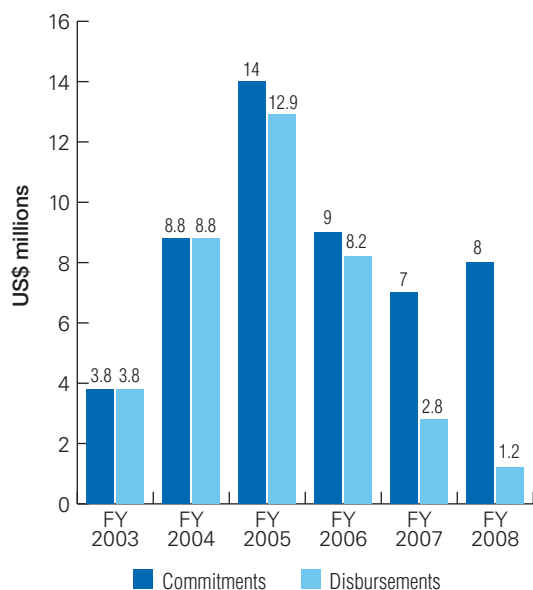


Figure 3. FIRST disbursements as compared to commitments, FY 2003–FY 2008



REGIONAL FOCUS

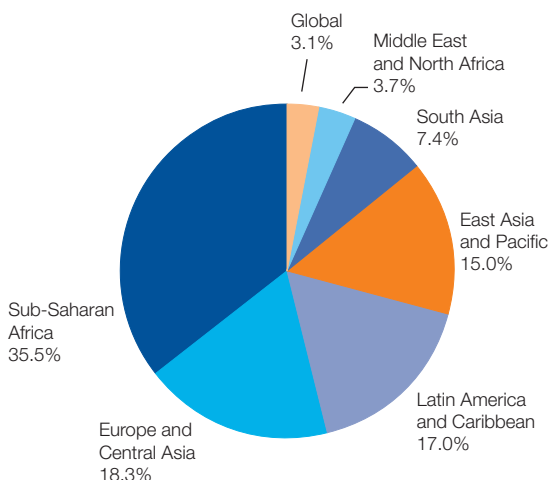
Consistent with its emphasis on supporting low-income countries, FIRST continues to focus on Sub-Saharan Africa. Almost half of the projects approved during the year were in that region (Table 1), continuing a trend that has been relatively consistent in recent years even as project commitment values have fluctuated with the size of the projects undertaken in any given year. The cumulative share of the region in the overall project commitments is 36 percent (Table 1 and Figure 4).

Following Sub-Saharan Africa, Europe and Central Asia received \$1.7 million in commitments for five projects. The region of Latin America and the Caribbean was the third-largest recipient of funds, receiving \$1.3 million. The countries that received the largest commitments were Nigeria, Albania, Honduras, and the Kyrgyz Republic. A financial sector strategy development project in Nigeria, valued at \$632,000, was the largest that FIRST approved in fiscal 2008. The distribution of projects among regions was roughly similar to the previous fiscal year.

Table 1. FIRST commitments by region, FY 2007, FY 2008, and cumulatively (as of June 30, 2008)

Region	FY 2007			FY 2008			Cumulative		
	Number of projects	Commitments (US dollars)	Share of total commitments (percent)	Number of projects	Commitments (US dollars)	Share of total commitments (percent)	Number of projects	Commitments (US dollars)	Share of total commitments (percent)
East Asia and Pacific	4	875,000	13	4	1,207,500	15	28	7,600,036	15
Europe and Central Asia	6	811,199	12	5	1,728,052	21	50	9,260,338	18
Latin America and Caribbean	4	719,000	10	4	1,281,129	16	44	8,617,283	17
Middle East and North Africa	0	0	0	1	215,000	3	13	1,869,832	4
South Asia	1	134,673	2	2	642,000	8	22	3,775,672	7
Sub-Saharan Africa	12	4,199,600	60	13	2,760,508	34	109	18,013,619	36
Global	1	240,000	3	1	229,000	3	7	1,568,906	3
Total	28	6,979,472	100	30	8,063,189	100	273	50,705,686	100

Figure 4. FIRST projects by region, number, and as a share of commitments (cumulative to June 30, 2008)



SECTORAL FOCUS

In fiscal 2008, FIRST developed a matrix for the categorization of its projects by theme and sector. Using the terms of that matrix, FIRST's main areas of work thus far have been regulatory and supervisory advice; strategic, diagnostic, and analytical work; institutional capacity building and market development; product development, including enabling conditions; infrastructure building, including credit registries and stock exchanges; accounting and auditing; payment and settlement systems; anti-money laundering and combating the financing of terrorism (AML/CFT); corporate governance; and insolvency and consumer protection. Going forward, FIRST has added financial crisis preparedness and management as a new area of involvement.

Within these overarching thematic areas, FIRST projects can be sorted into various financial sector activities: banking; insurance; pensions and collective investment schemes; capital markets; nonbank financial institutions (NBFIs); housing finance; small and medium enterprise (SME) financing; multisectoral projects; and fiscal, monetary, and exchange-rate policy. Multisectoral projects cut across multiple sectors, as in the case of financial sector action plans that aim to address in a single project weaknesses in a number of sectors.

Table 2 shows the organization of this matrix and the distribution of FIRST's cumulative commitments across themes and sectors.

“The State Bank of Pakistan (SBP) received funding from FIRST Initiative for two projects: Banking Sector Reporting Chart of Accounts (RCOA) and Banking Supervision Risk Assessment Model (BSRAM). These projects enhanced our capacity for effective monitoring and supervision by improving regulatory reporting by banks and quantifying key risks (market, credit, operation) in the banking industry. This has contributed immensely to the achievement of the SBP's goal of ensuring financial stability. The role of FIRST Initiative in providing technical assistance in carrying out these projects is highly commendable.”

Jameel Ahmed
Executive Director
Banking Policy and Regulations Group
State Bank of Pakistan

Table 2. Cumulative FIRST commitments by theme and sector (US\$ millions)

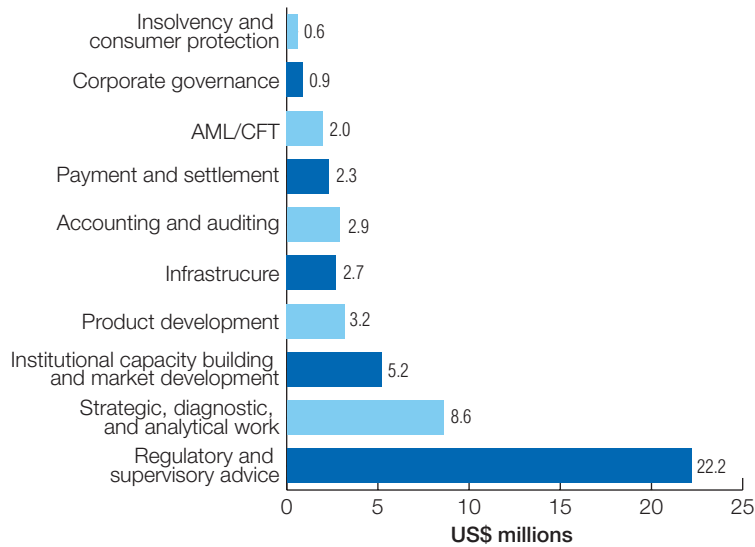
Thematic areas	Sectors										Total
	Banking	Insurance	Pensions and CIS	Capital markets	NBFI	Housing finance	Microfinance	SME financing	Multisector	Fiscal, monetary, and exchange rate policy	
Regulatory and supervisory advice	3.8	5.3	2.5	3.7	3.7	0.7	0.8	0.8	0.8	-	22.2
Strategic, diagnostic, and analytical work	0.9	0.8	1	1	0.1	0.7	1.1	-	2.4	0.7	8.6
Institutional capacity building and market development	1.3	0.6	0.3	0.8	-	1.2	-	-	0.1	1.0	5.2
Product development	-	1.6	-	1.6	-	-	-	-	-	-	3.2
Infrastructure building	1.6	0.1	-	0.7	-	-	0.1	-	0.2	-	2.7
Accounting and auditing	0.2	-	-	-	-	-	-	-	2.6	0.1	3
Payment and settlement	1.1	-	-	-	-	-	-	-	1.2	-	2.3
AML/CFT	0.7	0.1	-	0.1	0.1	-	-	-	1.0	0.2	2
Corporate governance	0.1	-	-	-	-	-	-	-	0.9	-	1
Insolvency and consumer protection	0.5	0.1	-	-	-	-	-	-	-	-	0.6
Total	10	8.6	3.8	8	3.9	2.5	2	0.8	9.2	2	50.7

Note: CIS = collective investment schemes; NBFI = nonbank financial institutions; SME = small and medium enterprise; AML/CFT = anti-money laundering and combating the financing of terrorism.

Regulatory and supervisory advice has been, by far, the most prominent area of work for FIRST. Approximately, 44 percent of the funds that FIRST has committed since its inception have been intended to strengthen the regulatory and supervisory frameworks of client countries. Figure 5 shows the overall distribution of cumulative commitments and the prominence of regulatory and supervisory advice among other areas of FIRST involvement. In fiscal 2008, of the 30 projects FIRST undertook, 9 aimed to support regulatory and supervisory frameworks, and \$2.4 million was committed to finance the projects.

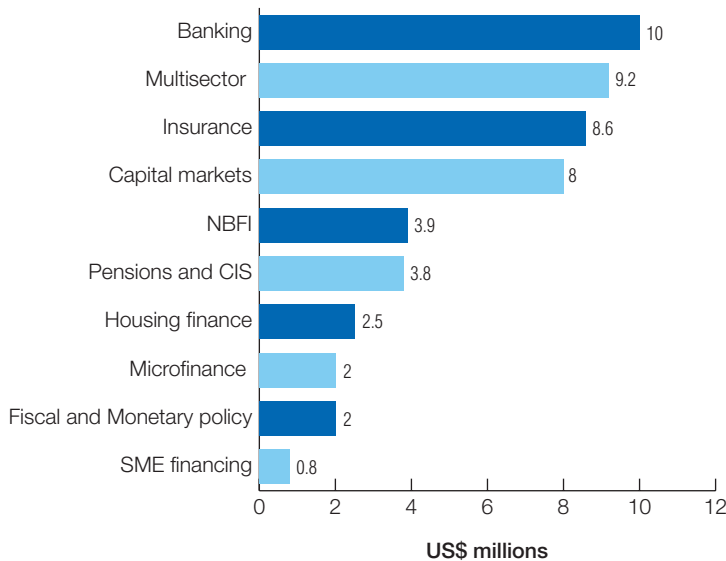
Another major area of assistance in fiscal 2008 was strategic, diagnostic, and analytical support, for which \$1.6 million of funding was granted. FIRST helped several countries to draw up financial sector development plans or prepare action plans to implement recommendations emerging from the Financial Sector Assessment Program (FSAP). In fiscal 2008, FIRST also funded multiple projects in accounting and auditing, capital markets, institutional capacity building, and payment systems.

Figure 5. Cumulative FIRST commitments by theme, FY 2003–FY 2008



Note: AML/CFT = anti-money laundering and combating the financing of terrorism.

Figure 6. Cumulative FIRST commitments by sector



Note: CIS = collective investment schemes; NBFI = nonbank financial institutions; SME = small and medium enterprise.

In terms of the sectoral distribution of commitments, FIRST has historically observed the largest demand in banking, insurance, and capital markets (Figure 6). Also, a large portion of FIRST’s project portfolio has cross-sectoral reach. Examples are country action plans in accounting and auditing, financial sector development plans, and the

strengthening of payment systems. In fiscal 2008, FIRST approved 10 multisectoral projects with a value of \$2.8 million. Banking and insurance projects in fiscal 2008 aligned with historical trends in their prominence in FIRST’s portfolio; FIRST committed \$1.6 million to six banking projects and \$1.3 million to four insurance projects.

WORKING WITH DONORS AND PARTNERS

Coordination and partnership with donors, official agencies, development banks, and other multidonor programs have been integral parts of FIRST's mission from the outset. FIRST strives to develop working relationships, formal and informal, with key donors and institutions active in financial sector development. The goals of those partnerships are to share information and knowledge, to encourage collaboration, and to ensure that FIRST's efforts are complementary rather than duplicative.

Two principles that anchor FIRST's approach to coordination are additionality and leverage. FIRST activities are designed to complement (and be additional to) those funded by other donors but not to duplicate other programs' activities or to substitute for programs that would be funded by other sources. Ideally, FIRST projects should have the potential to leverage funds for technical assistance from other donor programs. Due diligence conducted at the project design stage ensures that FIRST projects are additional to other donors' resources, that donor resources and priorities are aligned, and that duplication of assistance is avoided. Due diligence has facilitated information sharing and been essential to successful donor coordination.

FIRST's key partners are its founding donors: the Department for International Development of the United Kingdom (DFID), the Canadian International Development Agency (CIDA), the International Monetary Fund (IMF), the Ministry of Foreign Affairs of The Netherlands, the State Secretariat for Economic Affairs of Switzerland (SECO), the Swedish International Development Cooperation Agency (Sida), and the World Bank. Since its inception in 2002, FIRST's donors have guided its strategy and supported its activities with \$75.7 million in cash contributions.

FIRST works closely with the World Bank and the IMF in following up on FSAP and ROSC recommendations. It draws on the vast expertise of these two institutions for project reviews, policy advice, and, in some cases, project management. A special subaccount allows IMF staff to generate and manage projects that account for up to 15 percent of FIRST's net donor contributions.

To further enhance coordination of financial sector development activities and create synergy among stakeholders, FIRST actively pursues partnerships with international standard setters, regional bodies, development banks, and other donor programs. On several occasions, FIRST has partnered with the International Association of Insurance Supervisors (IAIS) and the International Organization of Securities Commissions (IOSCO) in the implementation of core principles and standards. On other occasions over the past six years, FIRST has shared project coordination and referrals with the United States Agency for International Development (USAID) and the Consultative Group to Assist the Poor (CGAP). Partnerships with regional programs have been particularly important in supporting FIRST's efforts in Africa. Among FIRST's partners in knowledge sharing, project generation, and due diligence are the African Development Bank (AfDB), the Making Finance Work for Africa (MFW4A) Secretariat, the Southern African Development Community (SADC), the Eastern and Southern African Banking Supervisors Group (ESAF), the Economic and Monetary Community of Central Africa (CEMAC), and the East African Securities Regulatory Authorities (EASRA).

“CEMLA would not have been able to implement the Credit Information Systems Project in so many of its member countries according to the agreed implementation schedule had it not been for the timely and flexible response by FIRST.”

Kenneth Coates
Director
Centre for Latin American
Monetary Studies (CEMLA)

AFRICA

PRUDENTIAL STANDARDS FOR NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN AFRICA

Africa's 60 development finance institutions (DFIs) play a smaller role than they did two decades ago, but they continue to receive considerable funding from their respective governments and donors and are widely viewed as significant for economic development in Africa.

Over the years, some DFIs have been converted into commercial banks. Others—including some of the largest and most successful financial institutions on the continent—are still flourishing. Some DFIs have been recapitalized and are trying to rebuild credibility, while others flounder, beset by serious financial problems. Still others—despite reasonably sound financial condition and performance—find that problems associated with past performance make it difficult to raise new funds.

The Association of African Development Finance Institutions (AADFI), with strong support from the African Development Bank (AfDB), has made good use of FIRST-financed technical assistance to develop prudential standards and guidelines for its member institutions. In addition to specifying international best practice in finance and operations, the guidelines focus particular attention on corporate governance, which most DFIs see as their most serious challenge and the biggest single cause of previous poor financial performance.

A FIRST consultant—following visits to DFIs in Asia and Africa—concluded that most African DFIs would benefit significantly from being able to operate under clear standards of corporate governance, appropriate financial regulation,



and operating policy guidelines. In the course of two intensive meetings, the CEOs of the region's DFIs drafted, discussed, and endorsed a set of 100 standards and guidelines that were then approved at a conference attended by representatives of the DFIs' owners, central banks, and donors.

The standards document includes a rating system that DFIs now use to assess themselves against the standards. The self-assessments are then independently verified for use in negotiations with the DFI's government owner, supervisor, or central bank.

Building on the success of the standard-setting effort, FIRST is providing assistance for a pilot implementation project in six countries: Côte d'Ivoire, Ghana, Kenya, Nigeria, Tanzania, and Uganda. Several of those countries are working toward placing their DFIs under central bank supervision. At least one is reviewing its DFI regulations with an eye to revising them, and Kenya is preparing a national DFI strategy that incorporates standards and guidelines to be used in the performance contracts of DFI chief executives.

NIGERIA'S FINANCIAL SYSTEM STRATEGY FOR 2020

In September 2006 the Central Bank of Nigeria (CBN) requested assistance in developing a financial system strategy through the year 2020. Following the successful consolidation of the banking system, the aim of the Financial System Strategy for 2020 (FSS 2020) was to transform Nigeria into a continental financial hub by upgrading its financial system into the safest and fastest-

growing of any emerging market country. FIRST undertook the project with supervisory expert help from the World Bank's Africa Region.

To promote the development of FSS 2020, the CBN set up a steering committee supported by experienced local consultants. The committee represented all major stakeholders, including the

finance minister, the governor and deputy governors of the CBN, the director general of the Securities and Exchange Commission, the insurance and pensions commissioners, as well as key private sector actors. The CBN governor ensured that FSS 2020 was assembled in careful consultation with representatives of all affected regulators, industry participants, academics, and other donors. From the outset, focus groups were organized for various subsectors. These met regularly, and their findings were reported and discussed at a series of meetings.

After announcing FSS 2020 and its vision at an international conference in June 2007, the CBN's immediate priority was to come up with an action plan. CBN also emphasized the need for further diagnostic work to set the baseline and lay the foundation for implementation of FSS 2020.

FIRST was asked to support the second phase of FSS 2020, which includes extensive diagnostic work on the Nigerian financial system. In 2008, diagnostic work was undertaken on capital markets, insurance, pensions, housing finance and social housing,



access to finance by small and medium enterprises, microfinance, creditor rights and corporate insolvency, and the banking sector.

To keep the focus on results, FIRST is helping the CBN to build a monitoring and evaluation framework for FSS 2020 and to plan the transition of the current project implementation unit into a permanent implementation office reporting to the FSS 2020 steering committee and appointed by the president of Nigeria. Crucial to the success of FSS 2020, so far, is that the strategy and process have been owned and managed by the Nigerian authorities.

FINANCIAL MECHANISMS FOR SMALL AND MEDIUM ENTERPRISES IN DJIBOUTI

Djibouti's economy depends on port receipts and other revenues generated by the presence of foreign military bases. To broaden the base for economic growth, the government has considered measures to promote private activity, with special emphasis on small and medium enterprises (SMEs). With that in mind, the Ministry of Trade and Industry sought support from FIRST to draw up a plan to develop new financial mechanisms for SMEs.

FIRST's consultants undertook a financial sector review and conducted an enterprise survey to achieve a deeper understanding of existing constraints on SME financing. The assessment confirmed that despite some positive recent developments, local enterprises still face serious difficulties, especially in accessing medium- and long-term loans. Microfinance institutions were found to be burdened by inadequate institutional arrangements, excessive fragmentation, and weak operational capabilities.

FIRST's consultants identified four measures to fill the existing financing gap. Those measures were (a) the introduction of partial credit guarantees to alleviate problems related to collateral; (b) the introduction of leasing, an instrument particularly well adapted to SME financing needs; (c) the upgrading of project preparation and appraisal capabilities to facilitate interactions between small operators and financial institutions; and (d) the strengthening of microfinance institutions through the rationalization of their existing network, the merging of smaller organizations, and a dedicated capacity building program.

The proposed measures were presented for discussion to government representatives, financial institutions, and private operators at a workshop hosted by Djibouti's chamber of commerce. Related to the project, FIRST's consultants provided operational support to the Banque Centrale de Djibouti in the formulation of a comprehensive regulatory framework for microfinance operations.

SUPPORTING THE FINANCIAL SECTOR IN VIETNAM

FIRST is supporting a wide range of financial sector reforms in Vietnam, a low-income country that has experienced profound changes over the past decade of rapid economic growth. The country's government initiated a program of financial sector reform in early 2001 based on its own priorities and, implicitly, the lessons from the Asian financial crisis of 1997–98. The comprehensive, multiyear reform program was aimed at strengthening the country's regulatory, supervisory, and institutional frameworks; diversifying the financial sector through capital market development; enhancing the transparency and accountability of the financial sector; and improving access to finance and the financial health of the banking system. Much progress has been made since 2001, but second-generation reforms in specific areas of the financial sector are still needed.

The World Bank has managed a financial sector assistance program in Vietnam since the reforms began, and FIRST has been an integral part of that program. In the past two years FIRST's engagement has grown to five active projects and one recently closed, with a total value exceeding \$1.7 million. The active projects cover: (a) bolstering the public credit registry so that more meaningful and timely credit information can be provided to the market; (b) enhancing the deposit insurance agency and increasing the public's awareness of financial services and deposit insurance; (c) moving the insurance regulatory framework and supervision practices toward international standards; (d) strengthening the cohesiveness and service standards of the credit cooperative system—the “people's credit funds”—via a national association; and (e) building a single and independent entity for depository, clearance, and settlement (a central securities depository) for the growing securities market in Vietnam.

As most of the portfolio is still in the implementation phase, impacts are not yet clearly visible. But the recently completed FIRST project offers a model to follow—and good reason for optimism. The project, which closed in June 2008, was designed to improve the regulatory framework for supervising investment funds in Vietnam. It provided expert technical assistance to the State Securities Commission (SSC), the capital markets supervisor.



The project's main products were an assessment of the key challenges to the SSC in the supervision and regulation of investment funds, draft regulations and guidelines on the management and supervision of investment funds, and manuals and training for supervisors.

The results were highly satisfactory, with the SSC volunteering that it was the best donor-supported effort that it had ever hosted. The project led to the issuance of a set of regulations on the investment funds industry that covered public disclosure for securities markets, including funds and fund management companies; prospectus requirements for securities investment companies; the organization and operation of fund management companies; and the establishment and operation of securities investment funds (focusing on closed-end funds). In a very encouraging development, the draft regulations were put before the public for comment, a positive move from past practices. The regulatory work was complemented by a diagnostic assessment, guidelines, and training manuals for the SSC to use in implementing the regulatory framework. The SSC created a Department of Management of Investment Funds and Fund Management Companies to implement the new regulations, thus ensuring the sustainability of the project. Three other regulations drafted with the advice of a FIRST consultant are scheduled to be issued in 2008 by the SSC.

One measure of the success of the project is the extent of growth in interest in entering the investment funds business. During the course of the FIRST project implementation (2006–08), the number of funds grew from 13 to 133, indicating

that even in the midst of a severe downturn in the stock market, investors will still create investment funds in the presence of the right regulatory framework. And Vietnam needs more such funds to encourage capital formation. The country's securities markets suffer from a paucity of long-term investors such as pension funds, which have regular inflows of cash monthly from retirement savings. Depending on the regulatory regime of a

country, such retirement savings can be invested directly into securities or other assets, or indirectly into such assets via funds, or both. Where viable investments are in short supply, however, pensions and other long-term savings vehicles tend not to develop, depriving the economy of much-needed capital. The growth of the fund industry in Vietnam will offer the needed investment opportunities and thus have a substantial developmental impact.

A RISK-BASED CAPITAL AND ASSESSMENT SYSTEM FOR INSURERS IN PAPUA NEW GUINEA

The government of Papua New Guinea sought to move from a traditional solvency-margin regime to a risk-based capital rule (RBC) for insurance companies operating within its territory. A risk-based system would ensure a better-managed insurance market in which solvency rules more closely matched the risk profile of individual insurers. But the Office of the Insurance Commission (OIC) lacked both the actuarial expertise and the spare staff to work on the initiative. FIRST was the answer.



The first step was to ensure that the consultants gained a good understanding of the market and the key risks that stakeholders faced. A consultative document was prepared and released to ensure that everyone started with a common understanding.

allowed companies to raise additional capital or worked with them to realign their risk profile.

With this shared understanding of the market, it was time to propose a formula structure that would reflect the key risks. A seminar on risk-based capital rules helped fill gaps in the knowledge of the country's insurers and improved the reliability of their responses to the consultants' later questions. The seminar, hosted by the OIC, was opened by the deputy prime minister and minister of finance.

Finally, the consultants assisted in converting the proposals into a draft that the OIC could adapt to the local regulatory system, adopt, and implement. In this phase of the project, OIC staff were trained to assess companies under the new system. Many members of the staff had worked collaboratively with the consultants throughout the project; additional training included all staff and provided a deeper understanding of the new system.

Some technical refinements were made following the consultation. The consultants then developed draft parameters and tested the impact of the proposed new system on individual companies using insurance commission data. The risk-based capital formula, as applied in Papua New Guinea, led to increases in the capital requirement, on average, but the increases did not exceed the capital that companies actually held. As a result, there was no need for transitional arrangements. If a transition had been needed, FIRST and the OIC would have

The industry was initially wary of the project because they feared that it might lead to an increase in capital requirements and limit their flexibility to adjust their business profiles. When the final formula and transition process were outlined, the sector was more than accepting. All industry players, from the most sophisticated to the least, now have a far better understanding of the risks arising from different business decisions. The OIC can better assess company risk profiles and solvency, and their credibility has been greatly enhanced.

STRENGTHENING CREDIT REPORTING SYSTEMS IN THE WESTERN HEMISPHERE

Credit reporting plays a key role in improving the efficiency of financial institutions by cutting the time and money required to process loan applications. Because credit registries promote transparency and reduce the “information advantage” that institutions have over their clients, they also tend to encourage greater competition, which can lower prices and expand access to financial credit for the population.

The Western Hemisphere Credit and Loan Reporting Initiative (WHCRI) originated from a high-level mandate issued in fall 2003 by the governors of the central banks of Latin America and the Caribbean. The mandate was taken up jointly by FIRST, the World Bank, and CEMLA, the Centre for Latin American Monetary Studies. Now in full operation, WHCRI is characterized by strong country ownership and a reform-oriented approach. Its purpose is to improve credit information systems in the region and so stimulate credit flows to the private sector.

To date the WHCRI has assessed credit reporting systems in nine countries. In chronological order, they are Mexico, Colombia, Brazil, Peru, Uruguay, Trinidad and Tobago, Costa Rica, Chile, and Argentina. WHCRI missions have recommended actions to improve credit reporting in a broad range of areas: legal and regulatory frameworks, consumer protection (outreach and education), private credit registries, public credit registries and public databases, competition, interaction with other elements of the financial infrastructure (such as payment systems), and the oversight role of the authorities.

The project has already generated some important results:

- A newly formed corps of local and regional experts in policy and operations is now working to harmonize and continually improve all aspects of credit reporting systems in the region.
- A new international consultative committee benefits from the membership of several institutions with ample expertise in credit reporting systems, which share their knowledge and experience for the purpose of improving regional credit reporting systems.
- Follow-up work has been done in several countries. Peru’s public credit reporting system has been upgraded, for example, while changes have been made in the legal framework in Chile, Colombia, and Mexico. Uruguay’s credit reporting systems now cover microfinance.
- In workshops and seminars, WHCRI has disseminated methodologies for assessments of the effectiveness of credit reporting systems.
- The countries of the region are sharing more information and broadening their sources of information to include utilities and retailers.



LOOKING AHEAD

Building on the experience and knowledge gained over the past six years of operations, FIRST is in an excellent position to carry on its mission. It will do so with a more strategically aligned and results-focused approach.

Because strong client ownership has been a key factor in FIRST's successes, demonstrated client commitment to well-defined implementation plans will continue to be the basis of FIRST assistance. As in the past, FIRST will concentrate its efforts in low-income countries, specifically in Africa. FIRST remains the only mechanism available to follow up on recommendations emerging from the World Bank-IMF Financial Sector Assessment Program and from Reports on the Observance of Standards and Codes. Providing such follow-up is one of the main driving forces of the FIRST program.

In addition to the main focal areas of activity, FIRST stands ready to assist countries to prepare for potential systemic crises. FIRST can support national financial sector authorities with contingency planning and crisis simulation exercises. These diagnostic tools aim at identifying systemic vulnerabilities, which FIRST may assist in reducing by providing follow-up technical assistance.

While the thematic and sectoral areas of FIRST's involvement and the characteristics of its technical assistance (demand-driven, small- to medium-size, quick, and flexible) remain the same, FIRST now seeks to concentrate its efforts in areas where past projects have demonstrated particularly strong results. To back up that decision, the measurement of results will be an important focus of the overall program in the future. FIRST will begin evaluating the results of completed projects and benchmarking performance against the program's results framework, thereby identifying best practices and the lessons to be learned from projects. In these ways, monitoring and evaluation efforts will feed into FIRST's strategy and help shape its future direction.

Annexes

Annex I

SOURCES AND USES OF FUNDS

FINANCIAL OVERVIEW

During the fiscal year ending June 30, 2008, FIRST received new contributions of \$8.4 million.

In accordance with the Phase II Administrative Agreements between the World Bank and FIRST donors, an administrative fee of \$0.45 million has been deducted from the Phase II contributions paid into the Trust Fund during the fiscal year ending June 30, 2008.

FIRST disbursements for technical assistance activities totaled \$6.6 million during the fiscal year ending June 30, 2008. During the same period, FIRST also disbursed \$6.2 million through the IMF subaccount for IMF-executed activities.

The Project Management Unit incurred a total of \$1.7 million in administrative costs during the fiscal year ending June 30, 2008.

As of June 30, 2008, the undisbursed trust fund balance was \$31.3 million.

Combined Statement of Cash Receipts, Disbursements, and Fund Balance

(expressed in U.S. dollars)

	as of 6/30/08	as of 6/30/07
Contributions		
Canada	12,188,780	8,334,009
Netherlands	9,399,797	7,816,897
Sweden	2,626,714	2,626,714
Switzerland	13,865,198	10,865,198
United Kingdom	37,663,193	37,663,193
Total Contributions	75,743,682	67,306,011
Investment Income	6,150,403	3,997,082
Total Receipts	81,894,085	71,303,093
Disbursements		
Disbursements	36,499,480	30,820,413
IMF Subaccount	6,224,726	-
Administrative Fees	1,867,023	1,445,137
Coordination Unit and Steering Committee Expenses	3,782,458	3,786,789
Program Management Unit Expenses	2,182,483	444,909
Total Disbursements	50,556,171	36,497,248
Excess of receipts over disbursements	31,337,914	34,805,845
Fund Balance		
Beginning of period	34,805,845	36,193,605
Movement during year ended June 30, 2008	(3,467,931)	(1,387,760)
End period	31,337,914	34,805,845
Share in pooled cash and investments	31,337,914	34,805,845

Contributions (Note 1)

The resources of the Trust Fund are maintained in U.S. dollars. Conversions of contributions received in various currencies into U.S. dollars are initiated by the World Bank upon the later of receipt of funds or receipt of the signed and countersigned administration agreement. During the year, Phase II contributions totaling \$8,437,670 were received by the World Bank—from Canada, Switzerland, and The Netherlands—resulting in cumulative contributions of \$75,743,682 since FIRST's inception in 2002.

As of June 30, 2008, the contribution amounts committed by the donors and received by the World Bank for the FIRST low-income fund and middle-income fund are as follows:

Low-Income Funds

Donor	Amounts Committed		Amounts Received		Contributions Received (converted to US\$)
PHASE 1					
Netherlands	Euros	6,660,000	Euros	7,816,897	7,816,897
Sweden	SKr	20,000,000	SKr	20,000,000	2,626,714
Switzerland	SwF	8,400,000	SwF	8,400,000	6,515,392
United Kingdom	GBP	11,900,000	GBP	10,827,756	18,782,815
					35,741,818
PHASE 2					
Canada	CDN	5,000,000	CDN	2,000,000	1,927,385
Netherlands	Euros	5,000,000	Euros	1,000,000	1,582,900
United Kingdom	GBP	5,500,000	GBP	5,500,000	10,830,600
					14,340,885
Total Contributions to Low-Income Fund					50,082,703

Middle-Income Funds

Donor	Amounts Committed		Amounts Received		Contributions Received (converted to US\$)
PHASE 1					
Canada	CDN	12,000,000	CDN	7,999,960	5,668,221
			US\$	2,665,788	2,665,788
Switzerland	SwF	5,600,000	SwF	5,600,000	4,349,806
United Kingdom	GBP	5,100,000	GBP	4,640,467	8,049,778
					20,733,593
PHASE 2					
Canada	CDN	5,000,000	CDN	2,000,000	1,927,385
Switzerland	US\$	7,000,000	US\$	3,000,000	3,000,000
					4,927,385
Total Contributions to Middle-Income Fund					25,660,978
Combined Phase 1 and Phase 2 Contributions					75,743,682

Investment Income (Note 2)

Amounts paid into the Trust Fund, but not yet disbursed, are managed by the World Bank—which maintains a single investment portfolio (the Pool) for all trust funds administered under its administration. All trust fund assets are maintained separate and apart from the World Bank’s assets. Under the Pool’s investment strategy in effect during the current reporting period, a significant portion of the Pool is invested in liquid instruments such as money market deposits, U.S. Treasury securities, and other high-grade bonds.

Investment income consists of the fund’s allocated share of: interest income earned by the Pool, realized gains/losses from sales of securities, and unrealized gains/losses resulting from marking to market the assets held by the Pool.

Investment income of \$2,153,321 was credited to the Trust Fund during the fiscal year ending June 30, 2008. The cumulative investment income since inception is \$6,150,403.

Disbursements (Note 3)

During Phase I, the World Bank acted in its capacity as a fiscal agent, disbursing amounts from the Fund to a disbursement bank account for payments to technical assistance providers. The Phase I administrative arrangements also provided for the World Bank to make contributions to FIRST Initiative under the Development Grant Facility (DGF). As of June 30, 2008, contributions in the amount of \$1,210,000 have been made through the DGF window and have been fully disbursed on projects. The DGF contributions have been excluded from the disbursements in this statement as they were paid directly to the Phase I Management Unit and have been fully accounted for.

Effective March 1, 2007, all payments to technical assistance providers are disbursed directly from the World Bank and are made in accordance with the World Bank’s policies and procedures. Disbursements also include World Bank and IMF staff time and travel costs. During the fiscal year ending June 30, 2008, direct project disbursements from the fund were \$6,576,017.

Included in the cumulative disbursements as of June 30, 2008, is a refund of \$901,000 to the trust funds. This refund came as a result of the closure of an account with Wachovia Bank that was established in January 2006 to facilitate payment to technical assistance providers during Phase I.

IMF Subaccount (Note 4)

The Phase II administrative arrangements provide that the World Bank disburses to the IMF subaccount 15 percent of net paid-in contributions for IMF-executed activities. During the fiscal year ending June 30, 2008, FIRST disbursed \$6,224,726 to the IMF.

Administrative Fees (Note 5)

During Phase I, to assist with the defrayment of the costs incurred by the World Bank for the administration, supervision, and oversight of the Trust Fund, the World Bank retained from the investment income received by the Trust Fund an amount equal to 1.6 percent of the contribution amount. All remaining income was credited to the Trust Fund.

During Phase II, in accordance with its expanded role and the Administrative Agreements, the World Bank retains 5 percent of the gross contributions for the administration of the fund. Administrative fees in the amount of \$421,887 were deducted by the World Bank during the fiscal year ending June 30, 2008. The cumulative administrative fees since inception are \$1,867,023.

ANNEX II

Projects Approved in Fiscal 2008

Country	Project title	Activity description	Amount (in US\$)
SUB-SAHARAN AFRICA			
Botswana	Technical Assistance for Accounting Oversight Board	Advising on preparatory work in connection with establishing an independent oversight body for monitoring and enforcing accounting and auditing requirements in the corporate sector of Botswana.	88,000
Madagascar	Financial Sector Strategy and Development Plan	Assisting in the completion of the financial sector strategy and development plan that will provide a map of actions and measures to develop a sound, efficient, and inclusive financial sector capable of contributing to sustainable economic growth and broad-based access to financial services.	245,000
Malawi	ROSC Accounting and Audit—Developing Country Action Plan	Developing a country action plan to implement policy and legal improvements necessary for accountancy development in Malawi as recommended in the June 2007 ROSC on accounting and auditing.	86,000
Mauritius	Bank Supervision Strengthening	Strengthening the bank supervision capacity of the Bank of Mauritius through the assignment of an advisor who will provide technical assistance to improve and implement relevant legislation and regulations; improve on-site inspections and off-site monitoring; and advise on overall reforms in policy, procedures, processes, organizational structure, resource allocation, and training.	270,296
Nigeria	Financial Sector Strategy 2020—Phase 2	Supporting the Central Bank of Nigeria, Ministry of Finance, Securities and Exchange Commission, and other stakeholders in the implementation of the Nigerian Financial System Strategy 2020, which aims to transform Nigeria's financial system into a catalyst for growth by strengthening domestic financial markets, enhancing integration with external financial markets, and developing an international financial center in Nigeria.	632,500
Rwanda	Financial Sector Development Program II	Supporting implementation of an existing action plan to deepen and broaden the financial sector in Rwanda by focusing on: providing targeted policy advice and technical assistance in the priority areas identified by the action plan, assisting the central bank in drafting a pension law and related regulation as well as a law governing collective investment schemes, and developing the backbone of the national payments system.	414,000
Sierra Leone	Post-FSAP Strategic Roadmap	Supporting short-term strategy preparation for the implementation of FSAP recommendations, which will formalize and document the approach for ongoing initiatives to enhance financial stability, foster financial diversity, and expand access to financial services.	55,000
Regional projects	Pilot Implementation of Association of African Development Finance Institutions (AADFI) Prudential Standards and Guidelines	Testing the applicability of AADFI standards and guidelines with selected DFIs and drawing lessons that can be broadly applied by AADFI members and their owners and by supervisory authorities in the preparation of guidance.	180,000

Country	Project title	Activity description	Amount (in US\$)
SUB-SAHARAN AFRICA, continued			
Regional projects	Macroeconomic Management and Financial Sector Issues	Strengthening participating countries' ability to analyze economic and financial sector developments and to formulate policies to further strengthen monetary and financial sector development.	79,100
	Financial Sector Strengthening through Monetary and Foreign Exchange Policy Training	Providing knowledge transfer, capacity building, and institutional development through training in monetary and exchange rate policies as part of a broader strategy to develop and deepen financial markets and increase access to finance in the region as part of ongoing technical assistance programs in recipient countries in Sub-Sahara Africa.	124,300
	CEMAC Conference 2008	Achieving wide dissemination of the FSAP recommendations and drawing up a follow-up action plan in consultation with key stakeholders.	36,160
	Development and Implementation of Risk Management Framework	Assisting the African Trade Insurance Agency to establish a risk management framework that captures the wide spectrum of risks that affect the Agency's operations, thus providing the staff and management with a sound platform for timely, effective, and integrated risk management to inform decision making.	222,000
	Strengthening Payment Systems	Improving policy, capacity, and implementation related to payment systems and services, all with a view toward compliance with international standards.	328,152
Total for region			2,760,508
EAST ASIA AND PACIFIC			
Indonesia	Life Insurance Sector Reform	Assisting Indonesia's Insurance Bureau in refining financial condition reviews and preparing corrective action programs for two major life insurance companies.	358,000
Philippines	Creation of an Accounting Oversight Board	Providing assistance in organizing activities that will build institutional capacity and strengthen corporate accounting and auditing practices in the Philippines.	245,000
Thailand	Enhancing Insurance Regulation and Supervision	Finalizing the implementation of a risk-based capital system, establishing and entrenching the market analysis capacity within the Thai Department of Insurance, and developing an early-warning system for risk.	315,000
Vietnam	Enhancing Deposit Insurance	Providing support in the preparation of a new deposit insurance law and helping establish a public awareness and educational campaign on financial services and deposit insurance.	289,500
Total for region			1,207,500

Country	Project title	Activity description	Amount (in US\$)
EUROPE AND CENTRAL ASIA			
Albania	Effective Insurance Supervision	Assisting the Albanian Financial Supervisory Authority (FSA) in designing an effective risk-based supervisory methodology and proper supervisory platform and tools, and reviewing the necessary legal framework for the insurance market to make the FSA better able to evaluate market participants' risks, make efficient use of resources, and prioritize supervisory actions.	517,000
Bosnia & Herzegovina	Advisory Services to Stock Exchange	Contributing to the transparency of the capital market in Bosnia and Herzegovina by increasing the institutional capacity of the Banja Luka Stock Exchange and the Sarajevo Stock Exchange and supporting the development of a local integrated stock market index, structured financial products and derivatives, and skills enhancement in the area of data dissemination.	238,700
Kyrgyz Republic	Strengthening Legal, Regulatory, Supervisory, and Market Infrastructure	Promoting the development and financial safety of nonbank financial institutions and their products in the Kyrgyz Republic through an improved regulatory and supervisory framework.	450,100
Montenegro	Regulatory and Analytical Tools for Assessment of Banks' Risk Profiles	Strengthening the central bank's risk-based supervision through the development of special methods of risk assessment of banks' business lines, particularly in the lending area.	228,000
Moldova	Capacity Building in Monetary and Policy Analysis	Developing a structured forecasting and policy analysis framework for the National Bank of Moldova to support the current regime of monetary targeting while paving the way for an inflation-targeting regime over the medium to long term.	294,252
Total for region			1,728,052
LATIN AMERICA AND CARIBBEAN			
Honduras	A Roadmap for Strengthening Accounting and Auditing	Supporting the implementation of the ROSC accounting and auditing recommendations for Honduras in order to strengthen the Honduran accounting profession, update and consolidate the legal and regulatory framework pertaining to corporate sector accounting and auditing, and strengthen accountability and corporate governance in state-owned enterprises with a view to improving their operating efficiency.	478,200
Peru	Strengthening Private Sector Accounting and Auditing	Improving the quality of accounting and auditing by listed companies and strengthening the ability of the securities regulator to enforce transparency and disclosure requirements applicable to issuers and market participants.	199,579
Uruguay	Housing Finance Policy Reform	Supporting the development of mortgage default insurance and capital markets funding tools, providing construction financing for housing affordable to low- and moderate-income households; the reform of subsidy schemes, and making rental housing more accessible.	294,350

Country	Project title	Activity description	Amount (in US\$)
LATIN AMERICA AND CARIBBEAN, continued			
Regional projects	Strengthening Credit Reporting Systems (CEMLA)	Improving the credit reporting system in Latin America to allow for increased credit for the private sector and to contribute to the development of sound, competitive, and well-supervised financial markets in the participating countries.	309,000
Total for region			1,281,129
MIDDLE EAST AND NORTH AFRICA			
Syria	Development of Damascus Securities Exchange	Assisting in the establishment of the Damascus Securities Exchange by developing a regulatory and supervisory regime and codes of conduct and practice.	215,000
Total for region			215,000
SOUTH ASIA			
Maldives	Insurance Regulation and Supervisory Advancement	Helping the Maldives Monetary Authority to advance insurance regulation through review of existing insurance regulations to bring them in line with international standards and practices, implementing the legislation through rules, developing an appropriate supervisory methodology, and developing a template and procedure for reporting returns.	230,000
Regional projects	Strengthening Payment, Remittance, and Securities Settlement Systems	Assisting the South Asia Payment and Securities Settlement Initiative to assess, under a common assessment methodology, payments and securities settlement systems in South Asia with a view to identifying strategies and action plans to improve their safety, efficiency, and integrity.	412,000
Total for region			642,000
Global project	Islamic Financial Services Board: Development of Guiding Principles for Islamic Insurance	Developing guiding principles on governance for <i>takaful</i> (Islamic insurance) operators to be adopted by IFSB member countries to supervise institutions that offer these services.	229,000
Grand total			8,063,189

ANNEX III

Cumulative Project Commitments and Disbursements by Region and Country

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA						
Angola	Project Formulation for Nonbank Financial Institutions (NBFIs) Sector Technical Assistance (TA)	Strategic, Diagnostic, and Analytical Work	NBFI	12,710	12,710	2005
	Development of NBFI Regulatory and Supervisory Frameworks	Regulatory and Supervisory Advice	NBFI	108,000	43,200	2007
Botswana	NBFI Supervision and Strategy	Regulatory and Supervisory Advice	NBFI	148,608	148,608	2005
	Updating Accounting and Auditing Legislation	Accounting and Auditing	Multisector	40,468	40,468	2007
	Technical Assistance for Accounting Oversight Board	Accounting and Auditing	Multisector	88,000	0	2008
Burundi	Central Bank Strengthening	Regulatory and Supervisory Advice	Banking	185,140	185,140	2007
Cameroon	Financial Markets Commission Capacity Building	Institutional Capacity Building and Market Development	Capital Markets	98,264	98,264	2003
Djibouti	Action Plan for Strengthening SME Financing Mechanisms	Regulatory and Supervisory Advice	SME Financing	188,000	184,000	2007
The Gambia	Implementation and Development of Central Bank Book Entry System	Payment and Settlements	Banking	84,509	84,509	2005
Ghana	Rural Bank Restructuring	Institutional Capacity Building and Market Development	Banking	71,042	71,042	2003
	Payment Systems Project Design for the Millennium Challenge Corporation	Payment and Settlements	Multisector	44,550	44,550	2006
Guinea	Development of a Microfinance Regulatory and Supervisory Framework	Regulatory and Supervisory Advice	Microfinance	239,933	239,933	2006
	Fostering Foreign Exchange Market Development	Institutional Capacity Building and Market Development	Banking	148,000	32,907	2006
	Leasing Law	Regulatory and Supervisory Advice	Banking	115,000	114,940	2007

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA, continued						
Kenya	Strategy for Development Finance and Increasing Access to Financial Services	Strategic, Diagnostic, and Analytical Work	Microfinance	244,872	244,872	2004
	Reform of the Legal and Institutional Framework for Asset Financing	Regulatory and Supervisory Advice	Banking	302,905	302,905	2005
	Development of Audit Quality Review Program	Accounting and Auditing	Multisector	76,646	76,646	2005
	Strengthening Central Bank Business Processes	Institutional Capacity Building and Market Development	Fiscal, Monetary, and Exchange Rate Policy	466,008	466,008	2005
	Development of Mortality and Morbidity Tables	Product Development	Insurance	178,000	151,960	2005
Lesotho	Insurance Sector Strengthening	Regulatory and Supervisory Advice	Insurance	171,249	171,249	2003
	Automated Clearing House Systems Project Design for Millennium Challenge Corporation	Strategic, Diagnostic, and Analytical Work	Banking	42,189	42,189	2006
Madagascar	Developing a Microfinance Credit Information Bureau	Infrastructure Building	Microfinance	78,433	78,433	2006
	Project Design for Assistance on Modernization and Reform of the Private Sector Pension Fund	Strategic, Diagnostic, and Analytical Work	Pensions and Collective Investment Schemes	5,197	5,197	2006
	Modernization and Reform of Private Sector Pension Fund	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	341,437	341,437	2007
	Financial Sector Strategy and Development Plan	Strategic, Diagnostic, and Analytical Work	Multisector	245,000	242,001	2008
Malawi	NBFI Capacity Building Strategy	Regulatory and Supervisory Advice	NBFI	112,008	112,008	2005
	Evaluation of Central Bank Book Entry System	Payment and Settlements	Banking	13,934	13,934	2006

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA, continued						
Malawi	Strengthening NBFIs Framework and Advice on Pension Reform	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	254,710	254,710	2006
	Enhancement of Central Bank Book Entry System	Payment and Settlements	Banking	86,160	86,160	2006
	Developing Country Action Plan for ROSC Accounting and Auditing	Accounting and Auditing	Multisector	86,000	29,527	2008
Mali	Strategy for Introducing Workers' Hazard, Health Insurance, and Funded Pillar for Public Pensions	Strategic, Diagnostic, and Analytical Work	Multisector	282,058	282,058	2006
Mauritania	Strengthening Microfinance Supervision	Regulatory and Supervisory Advice	Microfinance	21,972	21,972	2005
Mauritius	Preparation of a Code of Corporate Governance	Corporate Governance	Multisector	117,000	117,000	2003
	Implementing Effective AML/CFT Measures	AML/CFT	Banking	127,168	127,168	2004
	Strengthening Securities and Listing Regulations	Regulatory and Supervisory Advice	Capital Markets	179,789	179,789	2004
	Establishing Second-Tier Securities Market and Restructuring Over-the-Counter Market	Institutional Capacity Building and Market Development	Capital Markets	158,502	158,502	2005
	Establishing a Financial Reporting Council	Infrastructure Building	Multisector	167,536	167,536	2005
	Assistance with Drafting Securities Legislation	Regulatory and Supervisory Advice	Capital Markets	48,128	48,128	2005
	Development of Selected Non-bank Financial Regulations	Regulatory and Supervisory Advice	Capital Markets	377,712	377,712	2005
	Establishment of the Mauritius Institute of Directors	Corporate Governance	Multisector	33,800	33,800	2006
	Bank Supervision Strengthening	Regulatory and Supervisory Advice	Banking	270,296	0	2008

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA, continued						
Namibia	NAMFISA: Development of Capacity Building Strategy	Strategic, Diagnostic, and Analytical Work	Capital Markets	113,128	113,128	2004
	Viability of Second-Tier Banking	Regulatory and Supervisory Advice	Banking	55,977	55,977	2005
Nigeria	Financial Systems Strategy (FSS) 2020	Strategic, Diagnostic, and Analytical Work	Multisector	249,000	194,744	2007
	Financial Sector Strategy 2020—Phase 2	Strategic, Diagnostic, and Analytical Work	Multisector	632,500	285,058	2008
Rwanda	Developing a Microfinance Credit Information Bureau	Infrastructure Building	Banking	285,000	221,061	2004
	Linking Payment Systems for Banks and Service Providers	Payment and Settlements	Multisector	397,000	298,258	2005
	Advice on the Financial Sector Development Plan	Strategic, Diagnostic, and Analytical Work	Multisector	671,000	655,106	2006
	Strengthening Supervisory Capacity of the Insurance Commission	Regulatory and Supervisory Advice	Insurance	208,000	204,530	2006
	Financial Sector Development Program II	Strategic, Diagnostic, and Analytical Work	Multisector	414,000	126,700	2008
Sierra Leone	Developing Markets and Institutions for Long-Term Capital	Institutional Capacity Building and Market Development	Capital Markets	32,358	32,358	2004
	Implementation of Central Bank Book Entry System	Payment and Settlements	Banking	89,763	89,763	2004
	Supervision of NBFIs: Assessment and Capacity Building	Regulatory and Supervisory Advice	NBFI	147,990	147,990	2004
	Implementation of Capital Market Development Plan	Strategic, Diagnostic, and Analytical Work	Capital Markets	360,595	360,595	2005
	Post-FSAP Strategic Roadmap	Strategic, Diagnostic, and Analytical Work	Multisector	55,000	42,045	2008
South Africa	Accounting and Auditing Legislation	Accounting and Auditing	Multisector	114,391	114,391	2004
	Integration of Financial Regulations	Regulatory and Supervisory Advice	Multisector	18,425	18,425	2005

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA, continued						
Sudan	Banking Sector Regulation and Supervision	Regulatory and Supervisory Advice	Banking	378,500	260,296	2006
	Access to Finance for Farmers in the Gezira Region	Strategic, Diagnostic, and Analytical Work	Microfinance	97,866	97,866	2006
Swaziland	Supervision of NBFIs: Initial Assessment and Proposed Strategy	Regulatory and Supervisory Advice	NBFI	124,255	124,255	2004
	Improving Access to the Financial Sector	Regulatory and Supervisory Advice	Banking	126,103	126,103	2004
	Implementation of Central Bank Book Entry System	Payment and Settlements	Banking	63,101	63,101	2004
	Review of Draft Bill for the Establishment of the FSRA	Regulatory and Supervisory Advice	Multisector	6,000	6,000	2005
Tanzania	Development of an FSAP Follow-up Strategy Plan	Strategic, Diagnostic, and Analytical Work	Multisector	27,099	27,099	2005
	Capital Markets and Securities Authority: Development of Operational Strategy and Implementation Plan	Regulatory and Supervisory Advice	Multisector	137,266	137,266	2006
	Updating Accounting and Auditing Legislation and Enforcement Capacity	Accounting and Auditing	Multisector	427,980	353,495	2006
	Action Plan for Developing Mortgage Finance Markets	Strategic, Diagnostic, and Analytical Work	Housing Finance	197,555	197,555	2007
	Non-Life Insurance Technical Reserving Pilot	Regulatory and Supervisory Advice	Insurance	137,500	0	2007
Uganda	Support for the Implementation of Collective Investment Schemes Legislation	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	72,550	72,550	2004
	Advice on Establishing a Consolidated Supervisor for NBFIs	Strategic, Diagnostic, and Analytical Work	NBFI	80,563	80,563	2005
	Strategic Options for Post Bank Uganda	Institutional Capacity Building and Market Development	Banking	115,960	115,960	2006

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA, continued						
Uganda	Non-Life Insurance Technical Reserving Pilot	Regulatory and Supervisory Advice	Insurance	137,500	0	2007
Zambia	Financial Sector Development Plan	Strategic, Diagnostic, and Analytical Work	Multisector	34,150	34,150	2004
	Pensions and Insurance Supervisory Strengthening	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	87,607	87,607	2005
	Regulatory Implications of a Credit Rating Agency	Strategic, Diagnostic, and Analytical Work	Banking	92,117	92,117	2005
	Institute of Bankers Training Strategy	Strategic, Diagnostic, and Analytical Work	Banking	48,697	48,697	2005
	Development of Securities Exchange Commission Capacity Building Action Plan	Strategic, Diagnostic, and Analytical Work	Capital Markets	223,000	173,765	2005
Regional projects	CEMAC Region: Development of Long-Term Finance (Debt Markets)	Institutional Capacity Building and Market Development	Capital Markets	222,800	222,800	2003
	SADC Development Finance Resource Centre: Needs Analysis and Skills Audit for DFIs	Institutional Capacity Building and Market Development	Multisector	77,500	77,500	2003
	West African Monetary Institute (WAMI): Banking Supervision Study	Strategic, Diagnostic, and Analytical Work	Banking	123,632	123,632	2003
	Eastern and Southern Africa: Regional Bank Supervisors Leadership Program	Regulatory and Supervisory Advice	Banking	108,362	108,362	2004
	ESAAMLG: Training Evaluators in AML/CFT Assessment	AML/CFT	Banking	61,183	61,183	2004
	ESAAMLG: AML/CFT Strategy Development for Member Countries	AML/CFT	Banking	122,365	122,365	2004
	Strengthening Payment Systems in Botswana, Sierra Leone, Swaziland	Payment and Settlements	Multisector	183,520	183,520	2004

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
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SUB-SAHARAN AFRICA, continued

	WAMI: Externally Assisted Self-Assessment of Basel Core Principles	Regulatory and Supervisory Advice	Banking	107,777	107,777	2004
	Botswana, Swaziland: Scoping Mission for NBFIs	Strategic, Diagnostic, and Analytical Work	NBFI	18,474	18,474	2005
	Regional Training Seminar for Insurance Supervision	Regulatory and Supervisory Advice	Insurance	36,296	36,296	2005
	Capacity Building for East African CIS Regulators	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	5,619	5,619	2005
	Regional Workshop on Tiered Banking Regulations	Strategic, Diagnostic, and Analytical Work	Banking	11,129	11,129	2005
	Prudential Standards for Development Finance Institutions in Africa	Regulatory and Supervisory Advice	Microfinance	174,346	174,346	2005
	Strengthening AML/CFT Regimes in Portuguese-Speaking Countries	AML/CFT	Banking	31,034	31,034	2005
	African Trade Insurance Agency: Development of Credit Risk Insurance Services	Institutional Capacity Building and Market Development	Insurance	70,400	70,400	2005
	West Africa: Capacity Building in Banking Supervision	Regulatory and Supervisory Advice	Banking	61,675	61,675	2005
	MEFMI Workshop on Consolidated Supervision	Regulatory and Supervisory Advice	Multisector	38,105	38,105	2006
	CISNA: Regional Risk-Based Supervision Seminar	Strategic, Diagnostic, and Analytical Work	Multisector	29,542	29,542	2006
	Financial Sector Assessment of Microfinance in the CEMAC Zone	Strategic, Diagnostic, and Analytical Work	Microfinance	62,885	62,885	2006
	Financial Sector Assessment of Housing Finance in the CEMAC Zone	Strategic, Diagnostic, and Analytical Work	Housing Finance	65,245	65,245	2006

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SUB-SAHARAN AFRICA, continued						
	SADC and East Africa: Project Design for NBF1 Regulator's Strategy and Capacity Building Program	Strategic, Diagnostic, and Analytical Work	NBF1	19,325	19,325	2006
	Finscope Africa: Technical Assistance for Strategy Development	Strategic, Diagnostic, and Analytical Work	Multisector	74,994	74,994	2006
	EASRA: Advice on Achieving Compliance with IOSCO MMoU	Strategic, Diagnostic, and Analytical Work	Insurance	118,936	118,936	2006
	SADC and East Africa: Training Program for NBF1 Regulators	Regulatory and Supervisory Advice	NBF1	198,331	198,331	2006
	Credit Reporting and Financial Information Infrastructure Program	Infrastructure Building	Banking	550,000	244,320	2007
	NBF1 Regulators' Capacity Building Program	Regulatory and Supervisory Advice	NBF1	1,950,000	423,492	2007
	Pilot Implementation of AADFI Prudential Standards and Guidelines	Regulatory and Supervisory Advice	Microfinance	180,000	0	2008
	Advice on Macroeconomic Management and Financial Sector Issues	Institutional Capacity Building and Market Development	Fiscal, Monetary, and Exchange Rate Policy	79,100	0	2008
	Development and Implementation of Risk Management Framework	Product Development	Insurance	222,000	0	2008
	Strengthening Payment Systems	Strategic, Diagnostic, and Analytical Work	Multisector	328,152	0	2008
	CEMAC Conference 2008	Strategic, Diagnostic, and Analytical Work	Banking	36,160	0	2008
	Financial Sector Strengthening through Monetary and Foreign Exchange Policy Training	Institutional Capacity Building and Market Development	Fiscal, Monetary, and Exchange Rate Policy	124,300	0	2008
Total for region				18,013,619	13,183,034	

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
EAST ASIA AND PACIFIC						
China	Regulation and Supervision of Corporate Pensions	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	600,245	600,245	2004
	Strengthening Regulation and Supervision of Securities Firms	Regulatory and Supervisory Advice	Capital Markets	308,653	308,653	2004
	Amendments to Securities Law	Regulatory and Supervisory Advice	Capital Markets	335,874	335,874	2004
	Regulation of the Distribution of Securities Investment Funds	Regulatory and Supervisory Advice	Pensions and Collective Investment Schemes	256,216	256,216	2004
Indonesia	Secondary Markets Capacity Building	Regulatory and Supervisory Advice	Capital Markets	121,871	121,871	2004
	Strategic Advice on Pension Reform	Strategic, Diagnostic, and Analytical Work	Pensions and Collective Investment Schemes	124,941	124,941	2005
	Strategic Option for Reforming Civil Service Pension and Savings Scheme (TASPEN)	Strategic, Diagnostic, and Analytical Work	Pensions and Collective Investment Schemes	411,184	411,184	2006
	Life Insurance Sector Reform	Regulatory and Supervisory Advice	Insurance	358,000	117,423	2008
Laos	Development of a Rural and Microfinance Strategy and Legal and Regulatory Framework	Strategic, Diagnostic, and Analytical Work	Microfinance	149,258	149,258	2003
	Rural Microfinance Survey	Strategic, Diagnostic, and Analytical Work	Microfinance	152,321	152,321	2004
	MFI Supervision Capacity Building	Regulatory and Supervisory Advice	Microfinance	219,810	219,810	2006
Mongolia	Development of Insurance Supervisory Framework for Livestock Insurance	Regulatory and Supervisory Advice	Insurance	320,416	320,416	2003
	Development of Index-Based Livestock Insurance 2	Product Development	Insurance	592,000	149,628	2005

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
EAST ASIA AND PACIFIC, continued						
Papua New Guinea	Development of Risk-Based Capital and Assessment System for Non-Life Insurers	Regulatory and Supervisory Advice	Insurance	300,000	69,272	2007
Philippines	Development and Implementation of Non-Life Insurance Supervisory Information System	Infrastructure Building	Insurance	145,001	145,001	2003
	Building Training Capacity in Banking Supervision	Regulatory and Supervisory Advice	Banking	440,127	440,127	2005
	Creation of an Accounting Oversight Board	Accounting and Auditing	Multisector	245,000	0	2008
Thailand	Assisting Self-Assessment of Selected Financial Sector Core Principles	Institutional Capacity Building and Market Development	Capital Markets	132,985	132,985	2005
	Enhancing Insurance Regulation and Supervision	Regulatory and Supervisory Advice	Insurance	315,000	2,156	2008
Timor Leste	Strategy for Establishing a Credit Registry	Infrastructure Building	Banking	115,806	115,806	2006
Vanuatu	Strengthening Regulation and Supervision of Company and Trust Service Providers	Regulatory and Supervisory Advice	Multisector	126,000	74,623	2007
Vietnam	Establishing a National Association for People's Credit Funds	Institutional Capacity Building and Market Development	Banking	360,000	249,403	2006
	Regulation and Guidance for Management of Investment Funds	Regulatory and Supervisory Advice	Capital Markets	570,700	526,306	2006
	Feasibility Study for the Establishment of a Central Securities Depository	Strategic, Diagnostic, and Analytical Work	Capital Markets	200,000	50,000	2007
	Assistance with International Standards for Supervising the Insurance Sector	Regulatory and Supervisory Advice	Insurance	249,000	36,357	2007
	Enhancing Deposit Insurance	Insolvency and Consumer Protection	Banking	289,500	6,059	2008
Regional projects	Training Evaluators in AML/CFT Assessment	AML/CFT	Banking	86,382	86,382	2003

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
EAST ASIA AND PACIFIC, continued						
Regional projects	Workshop on Self-Assessment of Selected IAIS Insurance Core Principles	Regulatory and Supervisory Advice	Insurance	73,745	73,745	2005
Total for region				7,600,036	5,276,063	
EUROPE AND CENTRAL ASIA						
Albania	Accounting and Audit Country Plan	Accounting and Auditing	Multisector	125,000	86,887	2007
	Effective Insurance Supervision	Regulatory and Supervisory Advice	Insurance	517,000	0	2008
Armenia	Insurance Supervisory Restructuring and Strengthening	Regulatory and Supervisory Advice	Insurance	74,480	74,480	2003
	Assistance with Insurance Regulation Drafting and Capacity Building	Regulatory and Supervisory Advice	Insurance	212,202	212,202	2004
	Preliminary Advice on Establishment of United Regulator	Regulatory and Supervisory Advice	Multisector	24,663	24,663	2006
	Establishment of Unified Regulator	Regulatory and Supervisory Advice	Multisector	34,544	34,544	2006
	Development of Insurance sector	Strategic, Diagnostic, and Analytical Work	Insurance	65,149	65,149	2007
Azerbaijan	Capacity Building for Establishing Nonbank Corporate Bonds Market	Product Development	Capital Markets	588,173	588,173	2005
	Advice on Insurance Law and Regulations	Regulatory and Supervisory Advice	Insurance	228,071	228,071	2006
	Strengthening Supervision of the Banking Sector	Regulatory and Supervisory Advice	Banking	156,000	0	2007
Bosnia and Herzegovina	Advisory Services to Stock Exchange	Infrastructure Building	Capital Markets	238,700	92	2008
Bulgaria	Strengthening of Supervisory Capacity of the Financial Services Commission	Regulatory and Supervisory Advice	NBFI	337,807	337,807	2004

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
EUROPE AND CENTRAL ASIA, continued						
Bulgaria	Feasibility Study for Financial Derivatives Market	Strategic, Diagnostic, and Analytical Work	Capital Markets	35,198	35,198	2005
Georgia	Debt Securities Market Development	Institutional Capacity Building and Market Development	Capital Markets	52,127	52,127	2003
	Insurance Supervisory Strengthening	Regulatory and Supervisory Advice	Insurance	193,336	193,336	2003
	T-Bills Process and Municipal Bonds Issuance	Product Development	Capital Markets	282,284	282,284	2005
	Development of Country Strategy for ROSC	Accounting and Auditing	Multisector	89,000	34,375	2007
	Reform of Motor Third-Party Liability Insurance	Regulatory and Supervisory Advice	Insurance	206,050	0	2007
Kazakhstan	Insurance Sector Strategic Advice and Regulatory Assistance	Strategic, Diagnostic, and Analytical Work	Insurance	161,803	161,803	2005
	Technical Assistance for Public Sector Accounting Standards	Accounting and Auditing	Fiscal, Monetary, and Exchange Rate Policy	72,712	72,712	2006
Kosovo	Strengthening Third-Party Liability Motor Insurance	Product Development	Insurance	38,084	38,084	2005
	Strengthening Insurance Supervision	Institutional Capacity Building and Market Development	Insurance	121,499	121,499	2005
	Strengthening Banking Supervision	Regulatory and Supervisory Advice	Banking	285,560	285,560	2006
Kyrgyz Republic	Assistance on the Privatization of Kairat Bank	Institutional Capacity Building and Market Development	Banking	262,578	262,578	2003
	Assistance for Drafting Deposit Insurance Legislation	Regulatory and Supervisory Advice	Banking	22,232	22,232	2004
	Medium-Term Strategy for Microfinance Development	Strategic, Diagnostic, and Analytical Work	Microfinance	136,714	136,714	2005

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
EUROPE AND CENTRAL ASIA, continued						
Kyrgyz Republic	Privatization of Kyrgyz Agricultural Finance Corporation	Institutional Capacity Building and Market Development	Banking	264,556	264,556	2006
	Modernization of the Postal System	Payment and Settlements	Banking	170,000	170,000	2007
	Strengthening Legal, Regulatory, Supervisory and Markets Infrastructure	Regulatory and Supervisory Advice	NBFI	450,100	159,254	2008
Lithuania	Insurance Supervision Strengthening	Regulatory and Supervisory Advice	Insurance	177,275	177,275	2003
	Accounting and Auditing Reform	Accounting and Auditing	Multisector	126,008	126,008	2003
	Effective Application of Audit Standards	Accounting and Auditing	Multisector	74,099	74,099	2005
Macedonia	Reform of Compulsory Motor Vehicle Insurance System	Institutional Capacity Building and Market Development	Insurance	294,176	294,176	2004
Moldova	Development of Money Market Instruments	Product Development	Capital Markets	73,184	73,184	2004
	Strengthening Insurance Supervision	Regulatory and Supervisory Advice	Insurance	180,952	180,952	2005
	Strengthening the Accounting, Auditing and Financial Reporting Framework	Accounting and Auditing	Multisector	256,406	256,406	2005
	Corporate Governance Reform	Corporate Governance	Multisector	270,148	270,148	2005
	Development of Money Market Instruments, Implementation	Product Development	Capital Markets	243,058	243,058	2005
	Capacity Building in Monetary and Policy Analysis	Institutional Capacity Building and Market Development	Fiscal, Monetary, and Exchange Rate Policy	294,252	0	2008
Poland	Access to Long-term Finance for Rural Communes	Strategic, Diagnostic, and Analytical Work	Microfinance	275,367	275,367	2004
Romania	Strengthening AML Regulations for the Securities Market	AML/CFT	Capital Markets	51,504	51,504	2004

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
EUROPE AND CENTRAL ASIA, continued						
Russian Federation	Building Capacity of a Self-Regulatory Organization to Support the Federal Regulator of Pensions Funds	Regulatory and Supervisory Advice	Pensions and CIS	381,343	381,343	2005
Serbia and Montenegro	Regulatory and Analytical Tools for Assessment of Banks' Risk Profiles	Regulatory and Supervisory Advice	Banking	228,000	0	2008
Slovak Republic	Strengthening Corporate Governance of Listed Companies	Corporate Governance	Multisector	91,963	91,963	2004
	Technical Assistance to the Financial Markets Authority	Regulatory and Supervisory Advice	Capital Markets	93,106	93,106	2004
	Strengthening Bank Corporate Governance	Corporate Governance	Banking	65,450	65,450	2004
Turkey	Secondary Mortgage Market Development	Regulatory and Supervisory Advice	Housing Finance	382,492	382,492	2005
Ukraine	Assistance to the Nonbank Financial Institution Regulator	Regulatory and Supervisory Advice	NBFI	133,193	133,193	2003
Regional projects	CIS-7: Financial Sector Workshop	Strategic, Diagnostic, and Analytical Work	Banking	22,674	22,674	2003
	AML/CFT Workshop	AML/CFT	Banking	100,067	100,067	2003
Total for region				9,260,338	7,236,844	

LATIN AMERICA AND CARIBBEAN

Belize	Central Bank of Belize Organizational Review	Strategic, Diagnostic, and Analytical Work	Banking	175,539	175,539	2005
Chile	Roadmap for Strengthening Solvency Control in the Insurance Industry	Insolvency and Consumer Protection	Insurance	138,195	138,195	2005
	Strengthening Regulation of Pension Funds	Regulatory and Supervisory Advice	Pensions and CIS	180,292	180,292	2005
	Implementing Risk-Based Supervision in the Securities Industry	Regulatory and Supervisory Advice	Capital Markets	466,519	466,519	2005

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
LATIN AMERICA AND CARIBBEAN, continued						
Chile	Adoption of International Financial Reporting Standards for Listed Companies	Accounting and Auditing	Multisector	219,000	42,740	2005
	Implementation of Risk-Based Supervision Model for Insurance Industry	Regulatory and Supervisory Advice	Insurance	249,000	23,815	2007
	Risk-Based Regulation of Pension Funds	Regulatory and Supervisory Advice	Pensions and CIS	225,000	43,077	2007
Colombia	Mortgage Finance Capacity Building	Institutional Capacity Building and Market Development	Housing Finance	115,835	115,835	2003
	Developing the Supervisory and Regulatory Framework for Collective Investment Schemes	Regulatory and Supervisory Advice	Pensions and CIS	216,620	216,620	2004
	Terrorism Loss Insurance Fund	AML/CFT	Insurance	195,501	195,501	2004
	Money Market Development	Product Development	Capital Markets	268,794	268,794	2004
	Development of Housing Microfinance	Strategic, Diagnostic, and Analytical Work	Housing Finance	394,587	394,587	2005
	Enhancement of the Capital Market Self-Regulatory System	Regulatory and Supervisory Advice	Capital Markets	136,248	136,248	2005
	Supervision of Financial Conglomerates	Regulatory and Supervisory Advice	Multisector	220,000	53,293	2007
Costa Rica	Advice on Achieving Compliance with IOSCO MMoU	Regulatory and Supervisory Advice	Capital Markets	72,466	72,466	2005
	Strengthening Public Debt Management and Developing Domestic Debt Market	Strategic, Diagnostic, and Analytical Work	Fiscal, Monetary, and Exchange Rate Policy	532,000	215,383	2006
Dominican Republic	Feasibility Study for Role of the Stock Market in Broadening the Capital Market	Strategic, Diagnostic, and Analytical Work	Capital Markets	18,845	18,845	2005
El Salvador	Strengthening Public Financial Institutions	Regulatory and Supervisory Advice	Banking	136,124	136,124	2005

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
LATIN AMERICA AND CARIBBEAN, continued						
El Salvador	Strengthening Framework for Consolidated Supervision of Financial Conglomerates	Regulatory and Supervisory Advice	Multisector	182,918	182,918	2005
	Implementation of IOSCO Self-Assessment:	Strategic, Diagnostic, and Analytical Work	Capital Markets	46,485	46,485	2005
Honduras	A Roadmap for Strengthening Accounting and Auditing	Accounting and Auditing	Multisector	478,200	0	2008
Mexico	Developing Framework for the Issuance of Catastrophe Bonds	Product Development	Capital Markets	186,901	186,901	2006
Nicaragua	Design of Management Information Systems for Deposit Insurance Agency	Insolvency and Consumer Protection	Banking	178,000	25,750	2006
Peru	Improving Risk-Based Management in Collective Investment Schemes	Institutional Capacity Building and Market Development	Pensions and CIS	282,000	171,783	2005
	Improving SME Access to Capital Markets	Regulatory and Supervisory Advice	SME Financing	630,000	523,543	2005
	Housing Finance Development	Institutional Capacity Building and Market Development	Housing Finance	487,103	487,103	2005
	Strengthening Private Sector Accounting and Auditing	Accounting and Auditing	Multisector	199,579	7,617	2008
Uruguay	Housing Finance Policy Reform	Regulatory and Supervisory Advice	Housing Finance	294,350	106,664	2008
Regional projects	Strengthening Financial Sector Integrity in Central America	AML/CFT	Multisector	46,213	46,213	2003
	East Caribbean Securities Exchange: Custodian Recruitment to Support Cross Listings	Institutional Capacity Building and Market Development	Capital Markets	79,011	79,011	2003
	East Caribbean Central Bank: Improving Payment Systems	Payment and Settlements	Banking	172,773	172,773	2003
	GAFISUD: AML/CFT Workshop	AML/CFT	Banking	34,266	34,266	2003
	AML/CFT Evaluator Training for Spanish-Speaking Countries	AML/CFT	Banking	44,899	44,899	2004

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
LATIN AMERICA AND CARIBBEAN, continued						
Regional projects	Strengthening Credit Union Regulation and Supervision	Regulatory and Supervisory Advice	Banking	68,551	68,551	2004
	Strengthening Credit Reporting Systems	Infrastructure Building	Banking	499,151	499,151	2004
	Regional Insurance Supervisors Leadership Training Program	Regulatory and Supervisory Advice	Insurance	79,360	79,360	2004
	East Caribbean Securities Exchange: Development of a Unified Rulebook	Infrastructure Building	Capital Markets	61,512	61,512	2005
	GAFISUD: AML/CFT Evaluator Training	AML/CFT	Banking	55,389	55,389	2005
	AML/CFT Workshop for Caribbean Regulators of Company and Trust Service Providers	AML/CFT	Multisector	57,284	57,284	2005
	AML/CFT Workshop for Caribbean Insurance Regulators/ Supervisors	AML/CFT	Insurance	54,230	54,230	2006
	AML/CFT Workshop for Regulators of Casinos and Internet Gaming Entities	AML/CFT	NBFI	54,405	54,405	2006
	Securities Supervisors Leadership Training	Regulatory and Supervisory Advice	Capital Markets	50,135	50,135	2006
	Workshop for Offshore and Onshore Supervisors and Standard Setters	Strategic, Diagnostic, and Analytical Work	Banking	25,000	0	2007
	CEMLA: Strengthening Credit Reporting Systems	Infrastructure Building	Banking	309,000	0	2008
Total for region				8,617,283	5,989,819	

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
MIDDLE EAST AND NORTH AFRICA						
Egypt, Arab Republic of	Strengthening Credit Reporting System	Infrastructure Building	Banking	166,118	166,118	2004
	Project Scoping for Banking Sector	Strategic, Diagnostic, and Analytical Work	Banking	20,085	20,085	2004
	Strengthening Banking Supervision	Regulatory and Supervisory Advice	Banking	98,375	98,375	2004
	Strengthening Management and Supervision of Payments Systems	Payment and Settlements	Multisector	246,653	246,653	2005
	Credit Reporting System Strengthening	Infrastructure Building	Banking	146,259	146,259	2005
	Upgrading Motor Third-Party Liability Insurance Capacity	Institutional Capacity Building and Market Development	Insurance	118,487	118,487	2006
Jordan	Actuarial Supervision Capacity Building of the Insurance Commission	Regulatory and Supervisory Advice	Insurance	199,743	199,743	2003
	Development of a Supervisory Ladder and Supervisory Strengthening	Regulatory and Supervisory Advice	Capital Markets	120,125	120,125	2005
Lebanon	Review and Advice on a New Insurance Law	Regulatory and Supervisory Advice	Insurance	91,892	91,892	2004
	Capital Markets Supervisory and Regulatory Authority Strengthening	Regulatory and Supervisory Advice	Capital Markets	231,444	231,444	2004
Morocco	Assistance to Support Pension Reform	Strategic, Diagnostic, and Analytical Work	Fiscal, Monetary, and Exchange Rate Policy	152,580	152,580	2004
Syria	Development of Damascus Securities Exchange	Infrastructure	Capital Markets	215,000	39,000	2008
Regional projects	Regional Training Seminar for Insurance Supervision	Strategic, Diagnostic, and Analytical Work	Insurance	63,072	63,072	2005
Total for region				1,869,832	1,693,832	

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
SOUTH ASIA						
Bangladesh	Insurance Law Reform	Regulatory and Supervisory Advice	Insurance	53,035	53,035	2004
	Reducing Interest Rate Spreads	Regulatory and Supervisory Advice	Banking	34,719	34,719	2004
	Capacity Building for Capital Market Intermediaries	Institutional Capacity Building and Market Development	Capital Markets	18,317	18,317	2005
India	Insurance Tariff Advisory Committee: Capacity Building for Transition from Uniform Tariff System to Risk-Based Approach	Regulatory and Supervisory Advice	Insurance	243,978	243,978	2003
	Expanding Housing Finance Market	Institutional Capacity Building and Market Development	Housing Finance	598,031	598,031	2006
	Development of Crop Insurance	Product Development	Insurance	531,953	531,953	2006
Maldives	Insurance Regulation and Supervisory Advancement	Regulatory and Supervisory Advice	Insurance	230,000	19,759	2008
Pakistan	Bank Supervision Risk Assessment Model	Strategic, Diagnostic, and Analytical Work	Banking	224,973	224,973	2004
	Development of Banking Sector Uniform Chart of Accounts	Accounting and Auditing	Banking	234,619	234,619	2004
	Project Design for Assistance to the State Bank of Pakistan	Strategic, Diagnostic, and Analytical Work	Banking	9,200	9,200	2004
Sri Lanka	Training for the Foreign Exchange Industry	Institutional Capacity Building and Market Development	Banking	29,898	29,898	2004
	Regulating Securities Markets Intermediaries	Regulatory and Supervisory Advice	Capital Markets	77,503	77,503	2004
	Strengthening Actuarial Supervision Capacity	Regulatory and Supervisory Advice	Insurance	36,152	36,152	2004
	Securities Exchange Commission: Supervision Capacity Strengthening	Regulatory and Supervisory Advice	Capital Markets	226,337	226,337	2004
	Regulation of Private Pension Funds	Regulatory and Supervisory Advice	Pensions and CIS	112,623	112,623	2004

Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
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SOUTH ASIA, continued

Sri Lanka	Assistance in Drafting the Securitization Act	Regulatory and Supervisory Advice	Capital Markets	195,388	195,388	2005
Regional projects	South Asia Federation of Exchanges (SAFE): Strengthening Stock Exchange Listing Regulations in Member Countries	Infrastructure Building	Capital Markets	143,348	143,348	2003
	SAFE: Developing Model Listing Regulations	Infrastructure Building	Capital Markets	68,355	68,355	2005
	Professional Risk Managers' International Association: Development of Academies in India and Indonesia	Strategic, Diagnostic, and Analytical Work	Banking	102,824	102,824	2006
	South and East Asia: Workshop for Emerging Financial Intelligence Units	Strategic, Diagnostic, and Analytical Work	Banking	57,746	57,746	2006
	AITRI Workshop on IAIS Insurance Core Principles	Strategic, Diagnostic, and Analytical Work	Insurance	134,673	134,673	2007
	Strengthening Payment, Remittance, and Securities Settlement Systems	Payment and Settlements	Banking	412,000	0	2008
Total for region				3,775,672	3,153,431	

GLOBAL PROJECTS

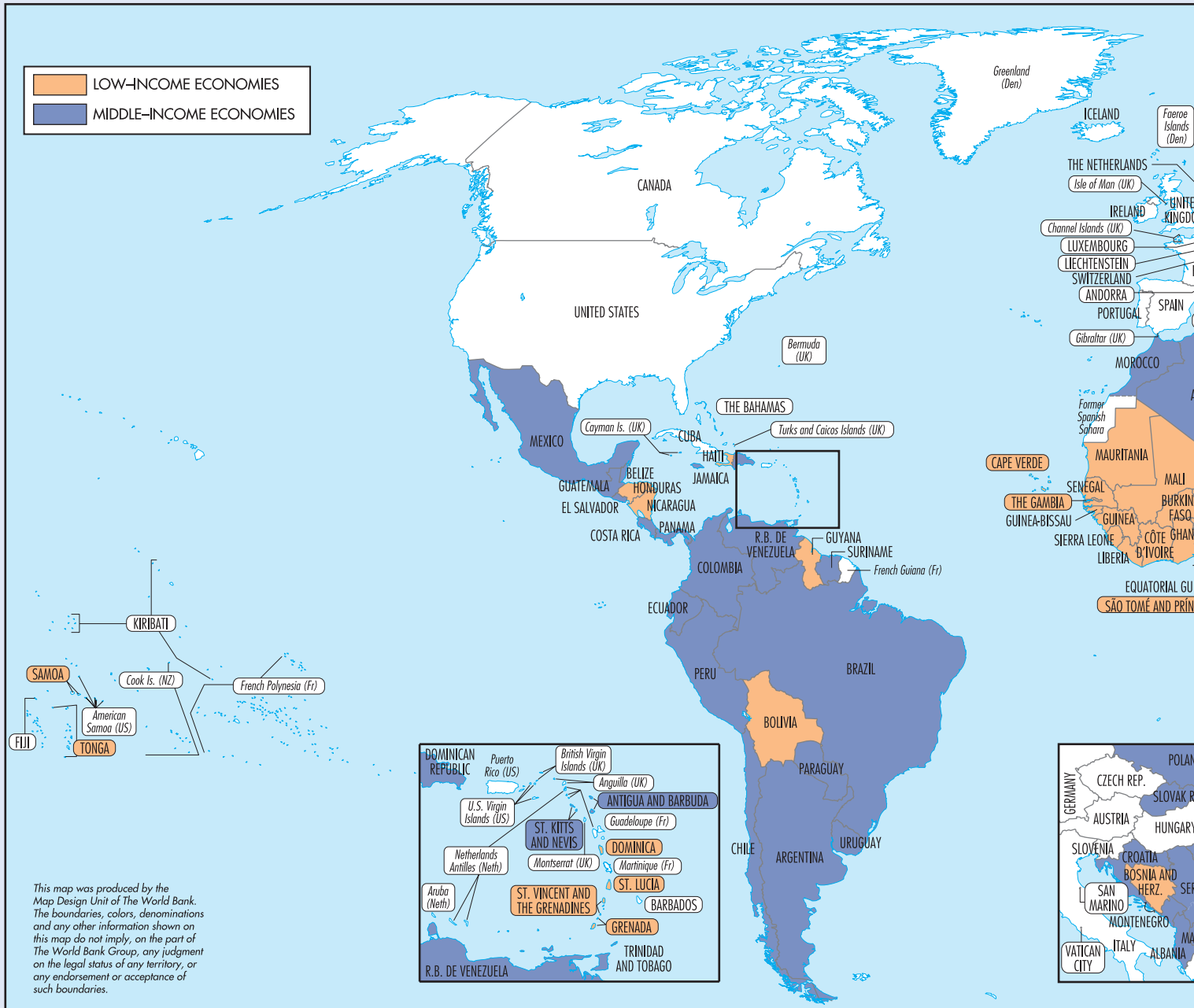
	Islamic Financial Services Board (IFSB): Strengthening Corporate Governance Standards in Islamic Financial Services Institutions	Corporate Governance	Multisector	141,560	128,775	2005
	Developing Guidelines for the Implementation of FATF Recommendations	AML/CFT	Multisector	660,000	648,096	2005
	Workshop for International and Offshore Financial Centers' Supervisors	Strategic, Diagnostic, and Analytical Work	Banking	38,546	38,546	2005

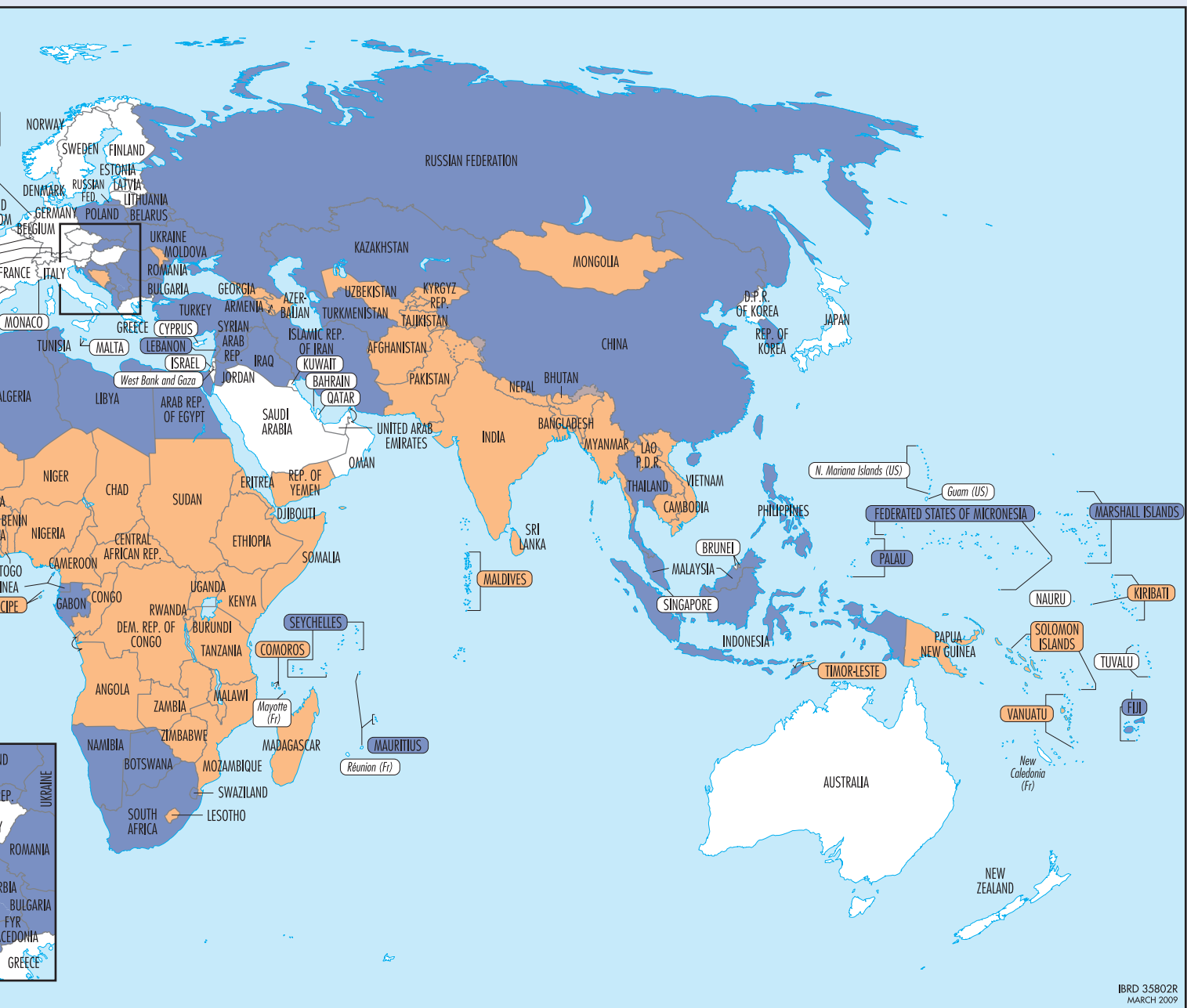
Country/ Region	Project title	Functional area	Sector	Commitments (in US\$)	Disbursements (in US\$)	Fiscal year of approval
GLOBAL PROJECTS, continued						
	Developmental Implications of International Taxation and AML/CFT Initiatives	AML/CFT	Fiscal, Monetary, and Exchange Rate Policy	231,850	231,850	2006
	Technical Reserving for Non-Life Insurers	Regulatory and Supervisory Advice	Insurance	27,950	27,950	2006
	IFSB: Corporate Governance Standards for Islamic Insurance and Investment Funds	Corporate Governance	Multisector	240,000	0	2007
	IFSB: Development of Guiding Principles for Islamic Insurance	Strategic, Diagnostic, and Analytical Work	Insurance	229,000	0	2008
Total for global projects				1,568,906	1,075,217	
GRAND TOTAL				50,705,686	37,608,240	

Note: The total disbursement figure differs from the disbursements reported in the Combined Statement of Cumulative Cash Receipts, Disbursements, and Fund Balance. The difference is accounted for by Development Grant Facility contributions, plus interest income of \$1.22 million, which are excluded from the statement's disbursements; and another \$0.11 million which was paid from external bank accounts.

ANNEX IV

Low- and Middle-Income Economies as Defined by the World Bank





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