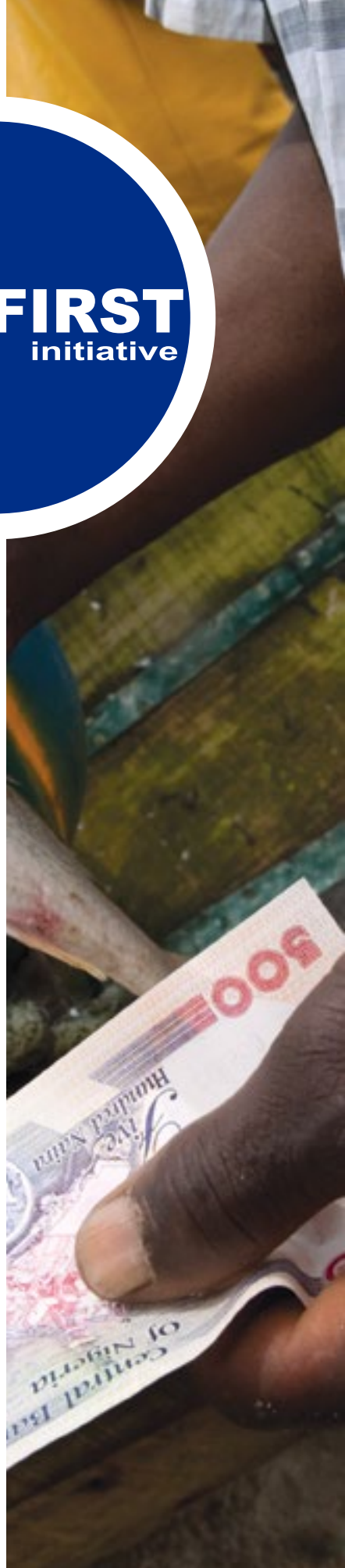


FIRST 2012 Annual Report
Strengthening Financial Sectors

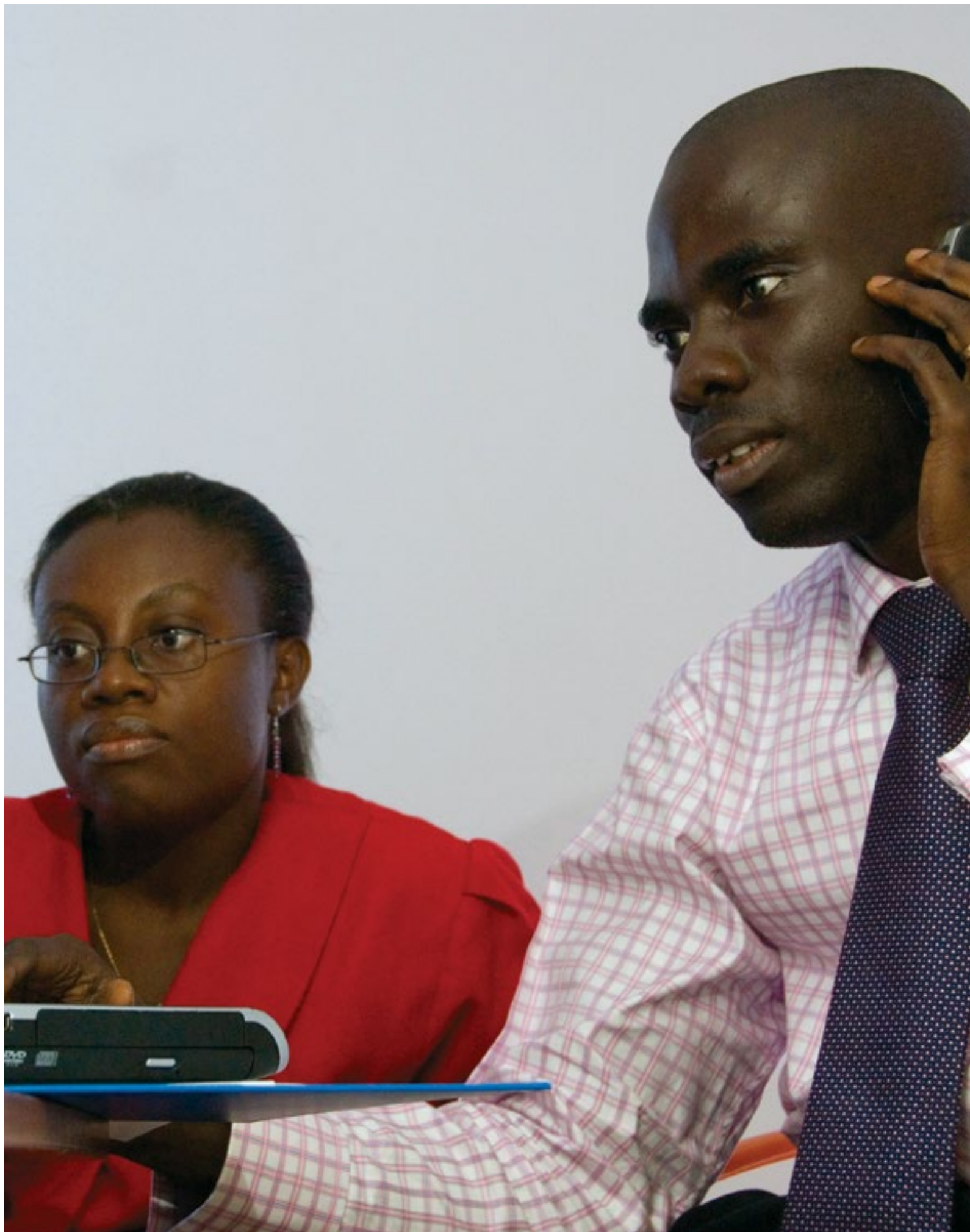


MISSION STATEMENT

FIRST aims to support economic growth and poverty reduction in low- and middle-income countries by promoting robust and diverse financial sectors.

CONTENTS

1. ABOUT FIRST	3
Objectives	3
Activities and Implementation	4
Eligibility and Application	4
Organization Structure	5
Donor and Partner Relationships	5
From the Chair of the Governing Council	6
From the Program Manager	7
FIRST on the Map	8
2. OPERATIONS IN 2012	11
Project Commitments and Disbursements	11
Regional Focus	12
Sectoral Focus	13
FIRST Impact Chain	14
Looking Ahead	16
3. GREATER ACCESS TO FINANCE	17
Namibia: Creating a Legal and Regulatory Framework for Deposit-Taking Microfinance Institutions	18
Moldova: Payment System Modernization	19
Belize: Payment Systems	20
4. ENHANCED FINANCIAL STABILITY	21
Malawi: Strengthening Contingency Planning	22
Bangladesh: Contingency Planning	23
Mexico: Crisis Simulation Exercise	23
5. STRATEGIC FSAP IMPLEMENTATION	25
Nigeria: Financial Sector Strategy 2020	26
Rwanda: Financial Sector Development Plan I and II (update)	27
Burundi: Development of Financial Sector Strategy	28
6. CAPACITY BUILDING	29
El Salvador: Organizational Structure of the Integrated Financial Services Superintendency	30
Rwanda: Strengthening of Savings and Credit Cooperatives	31
Azerbaijan: Systemic Risk Response Framework Model (update)	32
Annex I. Sources and Uses of Funds	33
Annex II. Projects Approved in FY 2012	37
Annex III. Projects Approved in FY 2003–12 (Phase I + II)	39
Annex IV. Applying For FIRST Funding	51





1

ABOUT FIRST

FIRST is a multidonor grant facility that funds technical assistance (TA) to promote financial sector development. **It was created following the East Asian financial crisis and has now completed 10 years of successful operations, having provided TA to help make financial systems in 110 low- and middle-income countries more stable, more efficient, and more inclusive.**

FIRST was 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. In 2009 FIRST welcomed new donors: Germany's Federal Ministry of Economic Cooperation and Development (BMZ) and the Ministry of Finance of Luxembourg.

FIRST is managed by a Program Management Unit (PMU) based at the World Bank's headquarters in Washington, DC.

OBJECTIVES

FIRST focuses on delivering high-quality short- and medium-term TA. FIRST has established a distinct role in financial sector development as a fast-response provider of small TA projects that contribute to sounder financial systems.

One of FIRST's priorities is to support the implementation of recommendations made by the joint World Bank–IMF Financial Sector Assessment Program (FSAP) and in Reports on the Observance of Standards and Codes (ROSCs)—particularly in developing countries that lack the resources or expertise to tackle difficult reforms.

Other FIRST priorities include (i) responding to requests for help that fall below other donors' minimum monetary thresholds; (ii) acting as a catalyst for broader donor intervention in areas such as capital market development, banking law reform, and payment system modernization; and (iii) promoting projects that have a strong potential for replication, such as those related to financial crisis preparedness and contingency planning.

ACTIVITIES AND IMPLEMENTATION

FIRST funds a broad range of financial sector reforms in banking, insurance, capital markets, pensions, and crisis preparedness, among other areas.

FIRST-funded TA is carried out by consultants and by World Bank and IMF staff members, who are involved in managing projects and providing expert advice and policy dialogue.

ELIGIBILITY AND APPLICATION

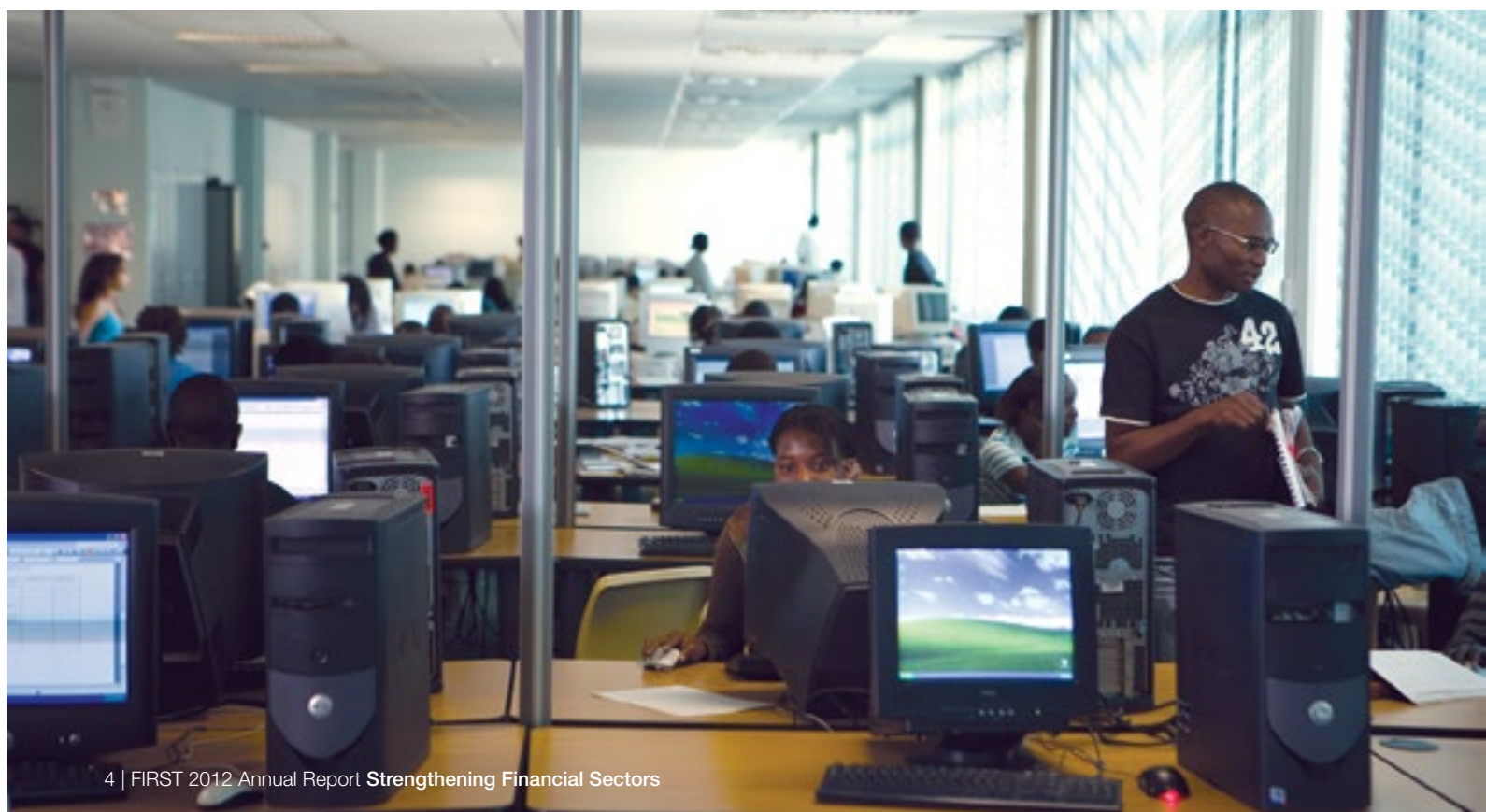
Eligible beneficiaries are government agencies, regulatory bodies, policy makers, and—under limited circumstances—quasi-public institutions such as self-regulating organizations.

Beneficiary countries must be classified by the World Bank as low- or middle-income countries. Low-income countries are those defined as eligible to receive low- or no-interest loans and grants from the International Development Association (IDA). Middle-income countries are those defined as eligible to receive loans from the International Bank for Reconstruction and Development (IBRD).

Applications must be submitted directly to FIRST. The staffs of FIRST, the World Bank, the IMF, and other official multilateral and bilateral development agencies assist eligible beneficiaries in preparing and submitting proposals.

FIRST reviews the initial inquiry (a form available on the FIRST website) to determine whether the proposal is generally eligible for funding. If it is eligible, FIRST asks the recipient to develop and submit a project proposal.

To learn more and apply, please visit www.firstinitiative.org.



ORGANIZATION STRUCTURE

FIRST has a two-tier structure: (i) the Governing Council provides strategic guidance, sets overall policies, and prioritizes and approves large projects, and (ii) the PMU manages day-to-day activities and handles the approval of all projects in coordination with the Project Approval Committee.

The Governing Council comprises one representative from each of FIRST's main donors, as well as from the World Bank and the IMF. "Main donors" are defined as those that have contributed at least US\$2 million in a given funding cycle.

The PMU is a unit at the World Bank that manages FIRST's work program on behalf of donors, as described in the FIRST Charter. The PMU is led by the program manager, who is recruited internationally and hired by the World Bank.

DONOR AND PARTNER RELATIONSHIPS

FIRST works in close relationships with other donor agencies and development organizations.

As part of its project review process, FIRST shares project summaries with bilateral aid agencies, development banks, and other donor organizations for two purposes: to avoid duplication, and to gather regional and technical feedback for refining project designs and eliminating redundancies.

FIRST works closely with financial sector experts in the regional and sectoral networks of the World Bank in the course of project generation, peer review, supervision, and management. Peer review of FIRST projects is also conducted with the IMF. These working relationships enhance FIRST's contributions to FSAP and ROSC follow-up projects. In addition, FIRST's projects enhance coordination between the World Bank and the IMF. Fifteen percent of FIRST's net donor contributions are allocated to IMF projects, supporting project generation, supervision, and management, and expanding the range of assistance that can be extended to clients.



FROM THE CHAIR OF THE GOVERNING COUNCIL

On behalf of FIRST's donors, I am pleased to report on important accomplishments by FIRST in this past year to strengthen the financial sectors of low- and middle-income countries. This year also marks the end of FIRST's second five-year funding cycle, in which we take stock of FIRST's overall impact and strategies for its next phase. I am very pleased to inform you that FIRST has received donor commitments of nearly US\$90 million over the next five-year period. This renewed funding will enable FIRST to build on its strong, catalytic interventions to address new challenges.

FIRST was established in the wake of the Asian financial crisis, and its relevance and usefulness were subsequently tested by the 2008 global financial crisis. In 2012, FIRST focused on helping countries to address fragility and to strengthen their financial sectors, to better withstand systemic and other risks that remain nearly four years after the onset of the crisis.

During fiscal 2012, FIRST saw a significant step-up in demand for its projects—testimony to its mission and usefulness—achieving its highest gross level of project approvals in its 10 years of operations. Over FY 2012, FIRST approved 70 projects worth US\$15.3 million, bringing the gross total to 469 projects worth US\$88.8 million. I am pleased to report as well that in delivering reforms, FIRST has been steadily increasing its coordination of donors and partners, capitalizing on their respective strengths and perspectives.

FIRST is recognized as a demand-driven financial sector assistance provider, as reflected in the commitments for new funding and the increasing demand for its TA. FIRST's strengths continue to be responsiveness, flexibility, and direct engagement with client countries. FIRST relies on the expertise of World Bank and IMF partners to make the best use of resources and remain attuned to ongoing developments. FIRST is also a stakeholder in the Global Partnership of Financial Inclusion and the Making Finance Work for Africa initiatives, in addition to its established partnerships with the Alliance for Insurance Initiative, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, and others that show its commitment to promote coordination and knowledge exchange in the area of financial sector reform.

FIRST's commitment to follow up on FSAPs remains a core one, and given those programs' maturity and visibility it will expand to provide not only catalytic, gap-filling, and demand-driven support, but also longer-term financial sector reform centered on specific targets in multiyear programs. In doing so, FIRST will rely very much on analysis of the results of its operations and on its dedicated knowledge management and research work.

In sum, over its next iteration FIRST will draw on the rich experience of 10 years to direct the highest-quality assistance to the most critical areas of financial sector need. As FIRST moves into its next funding phase, it will expand its knowledge management activities and considerably ramp up the scope and rigor of its monitoring and evaluation (M&E) framework, seeking to better demonstrate and share the impact of its work as it continues its small-scale TA, and pursuing larger-scale programmatic financial sector support.

These are exciting initiatives that will, I am sure, contribute to the achievement of strong results in FIRST's phase III funding cycle. On behalf of the Governing Council, I would like to express my thanks to the FIRST PMU for its outstanding work, to the client countries for their cooperation and commitment to this agenda, to the World Bank and IMF staff who have implemented FIRST projects, and to the many partners and consultants whose engagement has helped maintain the quality of work that FIRST delivers.

Susanne Dorasil

Chair of Governing Council

Head of the Economic Policy/Financial Sector Division

German Federal Ministry for Economic Cooperation and Development (BMZ)

FROM THE PROGRAM MANAGER

The various efforts undertaken by countries and international organizations to strengthen financial systems around the world and make another financial crisis less likely or less severe have once again shown the importance of sound financial regulation and supervision. Low-income and many middle-income countries, in particular, still face significant challenges in their efforts to improve legal and regulatory frameworks and supervisory capacity, while striking a proper balance between financial stability and economic growth. These are the countries that can least afford not to meet those challenges.

FIRST seeks to support client countries in their efforts to strengthen their financial systems by prioritizing and strategically planning FSAP implementation, expanding access to financial services, strengthening consumer protection, enhancing government capacity to manage crisis, and improving financial regulations in accordance to international best practices. **FIRST has supported about 200 projects, for a total of US\$38.3 million, that were linked to FSAP or ROSC recommendations.**

Within FIRST's general framework, support to low-income countries—with a focus in Africa—is a priority. In its 10 years of operation, FIRST has extended TA to more than 100 low- and middle-income countries through about 470 country-based and regional projects valued at US\$88.8 million. Compared with previous years, FIRST continues to witness strong demand for TA projects that are eligible for FIRST funding, with 100 inquiries received in FY 2012 and 70 projects approved for a total value of US\$15.3 million. Of these, 75 percent were in low-income countries.


In 2012, FIRST completed the development of a new strategy, business model, and M&E framework that will guide its operations in the five-year cycle from 2013 to 2017. The key features of the new strategy are first, a greater emphasis on results, captured in project formulation and systematic postcompletion monitoring; and second, a new funding window to support larger-scale programs tied to impact targets. With these in hand, FIRST will be able to better direct resources to projects that achieve visible impact on financial systems and on economic development.

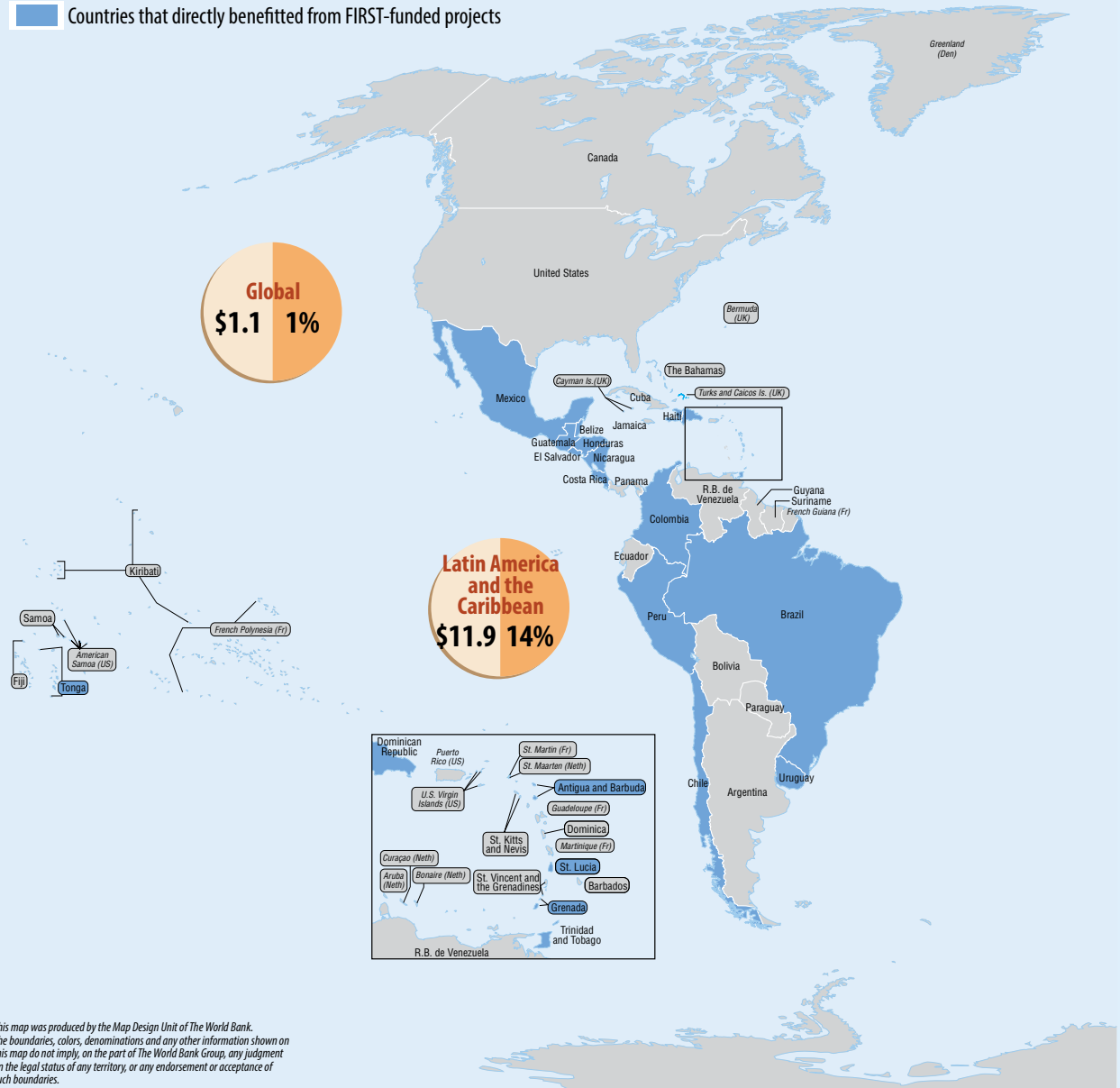
The 2012 fiscal year showed the continuation of a trend of increasing rates of approval and disbursement, which led to the completion of phase II financial programming by the end of the 2012 calendar year. In terms of regional focus, FY 2012 saw a greater focus on Africa, with 45 percent of total commitments allocated to this region compared with averages of 43 percent in phase II and 40 percent historically. Banking-related projects continue to receive the largest share of FIRST commitments, which is to be expected considering that the financial sectors in FIRST client countries are dominated by banks.

All in all, it was a strong year with valuable lessons and results laying the ground for a new funding cycle. Our sincere thanks go to FIRST donors and partners for their support of this program, which is proving to be an important pillar in strengthening financial sectors.

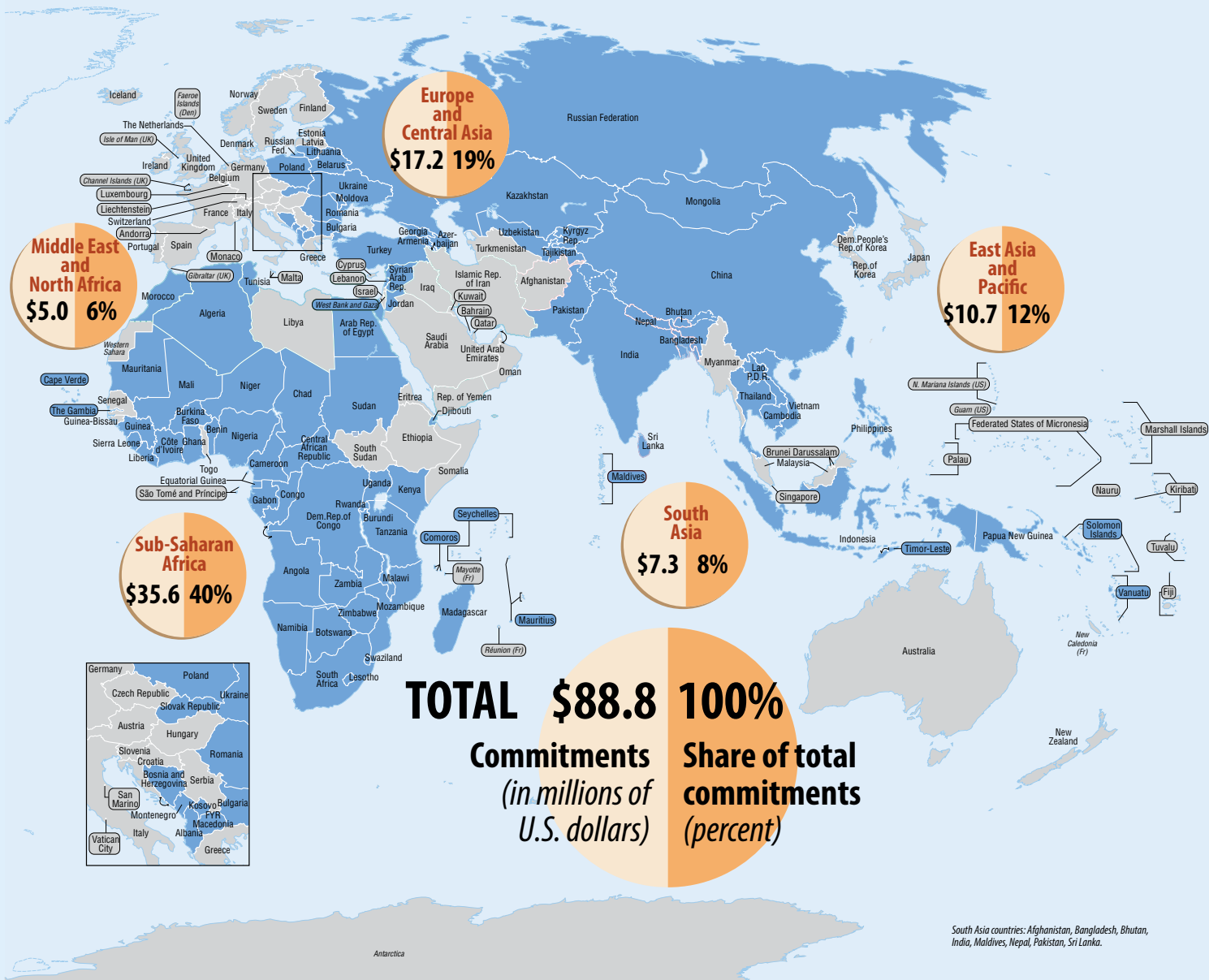
Jorge Patiño
Program Manager

FIRST ON THE MAP

 Countries that directly benefitted from FIRST-funded projects



This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.





2

OPERATIONS IN 2012

PROJECT COMMITMENTS AND DISBURSEMENTS

In FY 2012, FIRST approved 70 projects (compared with 59 in FY 2011), representing commitments of US\$15.3 million. During all of phase II (FY 2007–12), FIRST approved 233 projects with total commitments of US\$49.4 million. The regional distribution of phase II projects is shown in table 1. During its 10 years of operations, FIRST has approved 469 projects with a total value of US\$88.8 million. Most important, these projects have contributed to critical changes in financial systems around the world, as discussed here and in the impact analysis (pages 14–15), and in the project stories (sections 3–6).

More detailed information appears in the annexes. Annex I provides a financial overview of FIRST funds, annex II lists the projects approved in fiscal 2012, and annex III lists the cumulative FIRST portfolio for fiscal 2003–12.

As of June 30, 2012, FIRST's cumulative project disbursements stood at US\$73.8 million, of which US\$9.2 million was disbursed in fiscal 2012. Figure 1 shows FIRST's disbursements and commitments since inception.

FIRST draws from two trust funds: the Low-Income Fund is allocated to projects carried out in countries that are eligible for IDA credits; the Middle-Income Fund is dedicated to projects in countries eligible for IBRD loans. FIRST prioritizes low-income countries: to date, an average of 63 percent of its funds has been allocated to this group.

Figure 1. FIRST Commitments and Disbursements, FY 2003–12

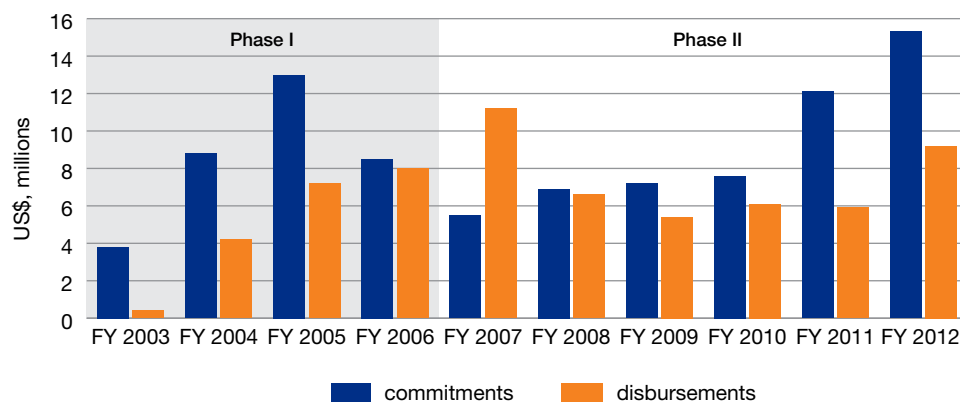
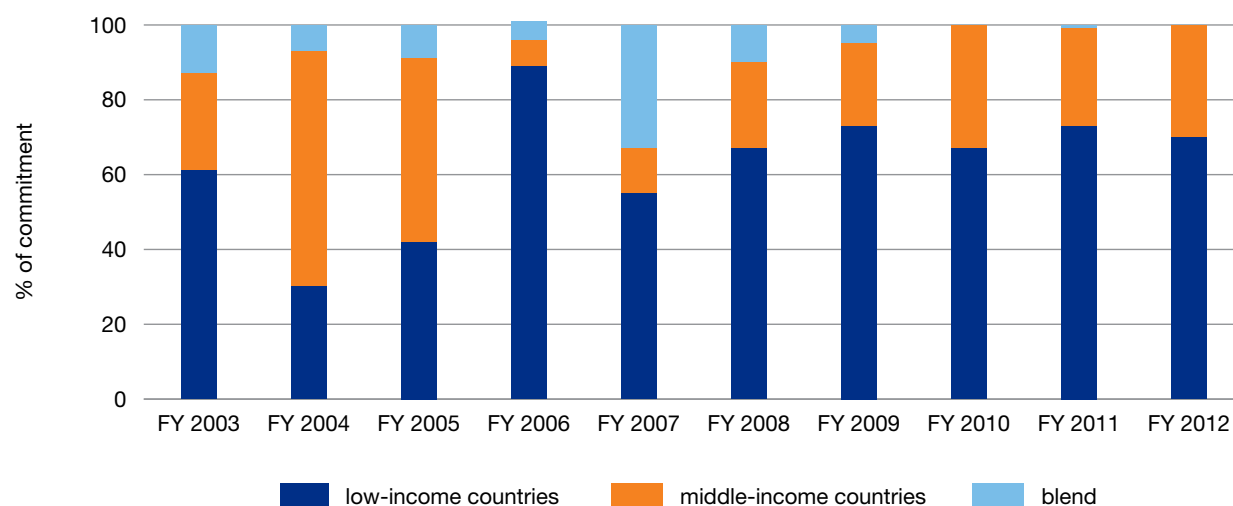


Figure 2. FIRST Commitments by Country Income Level, FY 2003–12



REGIONAL FOCUS

FIRST places emphasis on supporting low-income countries and regions with the greatest concentrations of poor people in the world. As a result, Sub-Saharan Africa continues to be a top-priority region, with 45 percent of FIRST projects approved there in fiscal 2012.

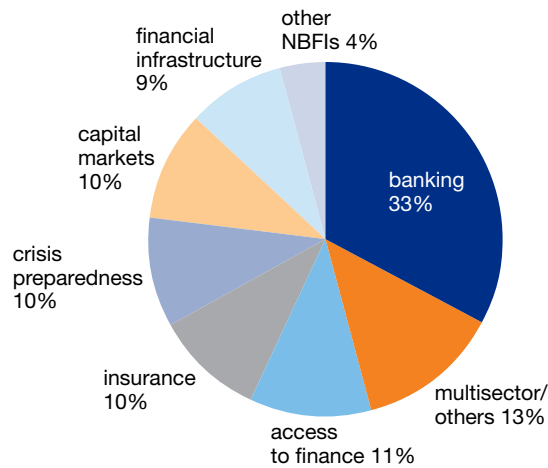
Table 1. FIRST Commitments by Region, FY 2012, FY 2007–12, and FY 2003–12

Region	FY 2012			Phase II: FY 2007–12			FY 2003–12		
	Projects	US\$	Share (% of US\$)	Projects	US\$	Share (% of US\$)	Projects	US\$	Share (% of US\$)
Sub-Saharan Africa	30	6,888,725	45	99	21,267,323	43	194	35,564,177	40
Europe and Central Asia	15	3,436,849	22	43	10,122,969	20	87	17,209,032	19
Latin America and Caribbean	9	1,457,470	9	33	6,244,859	13	68	11,906,769	14
East Asia and Pacific	7	1,613,695	11	22	4,838,241	10	46	10,688,488	12
South Asia	4	584,053	4	20	4,012,312	8	40	7,320,156	8
Middle East and North Africa	5	1,322,473	9	16	2,927,534	6	29	5,005,737	6
Global	0	0	0	0	0	0	5	1,082,495	1
Total	70	15,303,265	100	233	49,413,238	100	469	88,776,854	100

SECTORAL FOCUS

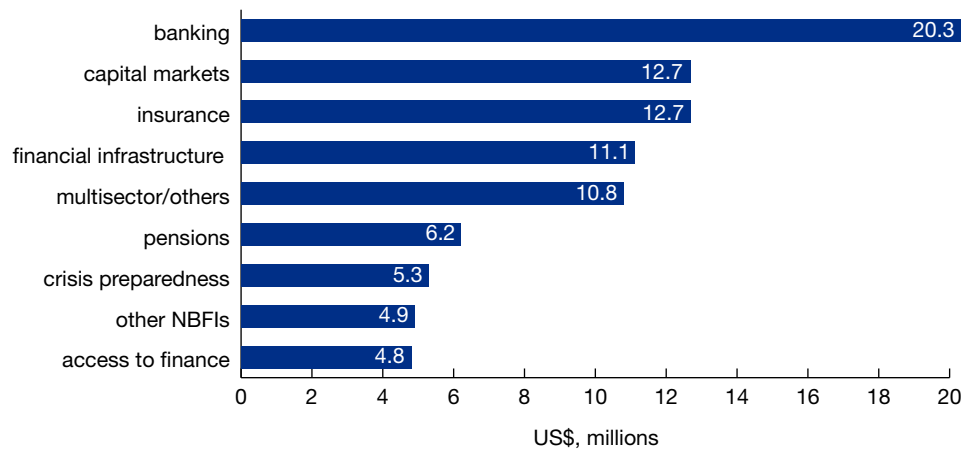
To effectively support countries in their efforts to strengthen their financial systems by implementing FSAP recommendations, FIRST funds TA in a broad range of sectors and areas: banking, insurance, capital markets, other nonbank financial institutions (NBFIs), pensions, financial architecture, crisis preparedness, access to finance, and others. Consistent with the dominance of the banking sector in most client countries, FIRST receives the strongest demand for TA in banking, followed—for the first time this year—by multisector projects, mainly in Financial Sector Development Strategies (FSDs) and financial system reform and policy (figure 3). Cumulative commitments by sector are presented in figure 4.

Figure 3. FIRST Project Commitments by Sector, FY 2012



It is worth noting that given the multiplicity of impacts of financial development projects, the classification of projects in figure 3 does not capture all the results of every project. Some of FIRST's projects in banking and in financial infrastructure, for example, also contribute to greater access to finance.

Figure 4. Cumulative FIRST Commitments by Sector, FY 2003–12

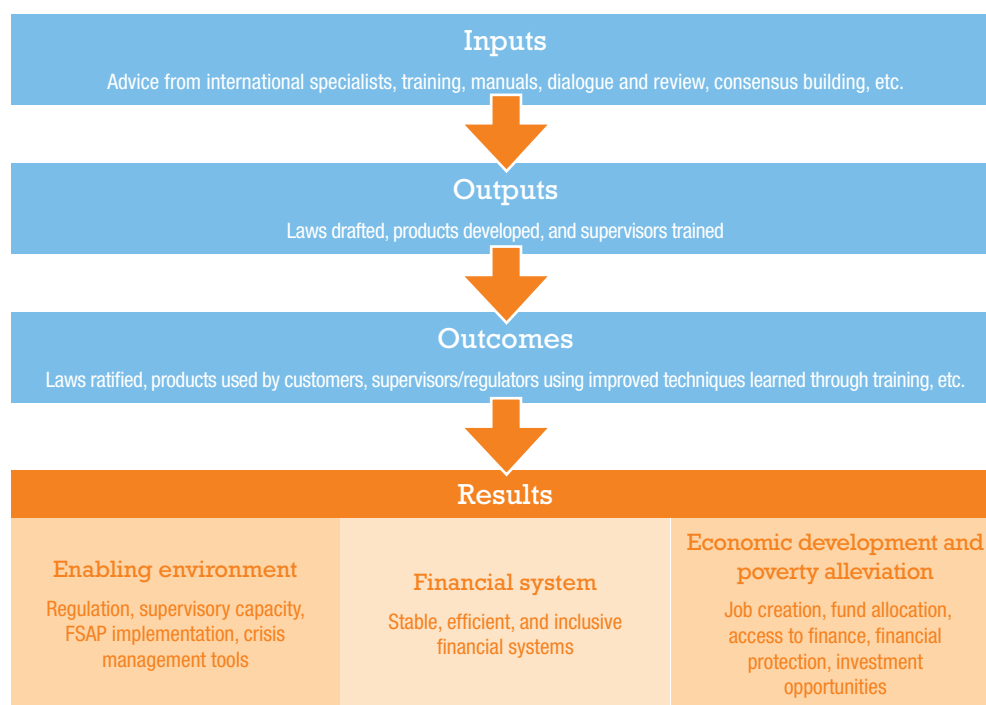


FIRST IMPACT CHAIN

FIRST's mission is to support economic growth and poverty alleviation through improvements in financial systems in low- and middle-income countries. Implicit in this statement is the assumption that causal chains link changes in the financial sector's enabling environment with economic growth. FIRST's interventions (inputs) produce outputs and direct outcomes that change the conditions under which financial systems develop—removing constraints, making them more stable and inclusive, and so on. In this section we illustrate this causality through examples from FIRST experience. We also share some of the lessons learned in the past years.

FIRST's mandate is to support economic growth and poverty reduction, so FIRST also tests whether and how its outcomes contribute to changes in income and job creation. The impact chain of FIRST projects' contribution to economic development is presented in figure 5.

The Causal Chain from FIRST Inputs to Results



FIRST's outcome assessment shows that the strongest qualities of grants in phase II were (i) strong consultant performance (technical input) and delivery of outputs, and (ii) linkage to FSAPs, ROSCs, and other diagnostic work. These qualities in turn reflect stronger client ownership of reform projects. The main **lessons learned** during phase II:

(i) Client ownership of projects is strongly correlated with outcomes and project success but is not sufficient by itself to ensure success. In half of the grants that did not achieve their objectives, client ownership was weak. Thus, monitoring of projects is important to ensure continuous ownership. Ongoing monitoring is especially important where follow-up projects are planned or already initiated, as well as in countries where political stability is low and decision makers in financial sector institutions tend to change over time. Factors associated with moderate to weak ownership include the absence of a supportive political environment and changes in key personnel or in the financial sector environment. Middle-income countries have stronger project ownership and greater readiness and willingness to learn and change. Improving project performance in low-income countries will require greater and more sustainable direct involvement of FIRST.

(ii) Opportunities to partner with other donors should become a greater focus of FIRST's program. FIRST finances mainly short-term TA, which experience has shown is often not sufficient to bring about needed change. To increase the catalytic potential of TA projects, FIRST should seek ways to develop closer partnerships with other donors.

(iii) Project design should incorporate extensive policy dialogue with relevant stakeholders to ensure appropriate adoption of proposed reforms. Legislative and regulatory reforms are not only about drafting laws; they are about the iterative process of adaptation of legal principles, the quality of policy dialogues with client countries, the development of a robust system for establishing consensus, the extent of collaboration and consultation with relevant stakeholders, and the dissemination of results for effective implementation. That is why it is important that the duration of and processes in FIRST projects are sufficient to ensure effective outcomes.

(iv) Inadequate project scope and support for projects affect the quality of outputs. More than 70 percent of FIRST projects in phase II had a budget of US\$250,000 or less. A budget this size may not always properly reflect the extent and duration of the work that is required, especially in legal and regulatory work, which require supporting policy dialogue after draft legislation is completed. Because the size of a project's budget has huge implications for what the project can realistically achieve (given that FIRST limits supervision budgets to 15 percent of project budgets), the reasons for not doing larger, more comprehensive projects need to be examined.

FIRST is applying these lessons to improve the effectiveness of its future program (phase III: FY 2013–17) and evaluation practice.

LOOKING AHEAD

FIRST plans to maintain its ability to support targeted reform projects while being in a position to assist clients through longer-term, comprehensive reform programs combined with targeted knowledge management initiatives. **FIRST's strategy** is to maintain a two-window mechanism for project selection:

1. A catalytic window, which will maintain FIRST's existing project approach—providing funding in response to country demand for targeted TA—complemented with a deliberate effort to promote the catalytic potential of each project by including a larger policy dialogue component aimed at understanding and pursuing further needs in collaboration with clients.
2. A programmatic window, which would be available to meet client demands for longer-term reform programs, providing funding across multiple projects connected through a well-structured, typically multiyear, reform program.

A focus on results is at the heart of phase III. A key objective is to systematically track and assess the impact of FIRST-supported financial sector reform work so as to establish a clear fact base on the “value for money” of FIRST. A more outcome- and results-oriented **M&E framework** is being developed to (i) guide the definition of outcomes and expected impacts for programs and projects; (ii) systematically track outcomes over time; and (iii) use a combination of M&E assessments, targeted research, and qualitative data to better understand successes and failures, and provide feedback on FIRST's strategy.

In phase III, FIRST's M&E framework will consist of two components:

1. **Standardized logframes:** All FIRST projects and programs will be guided by a standardized set of logframes. For each project, a logframe will link project outputs and outcomes in the enabling environment with expected outcomes for the financial system and for economic development and poverty alleviation. Each project is expected to contribute directly or indirectly to financial inclusion, financial system stability, or economic development in the country.
2. **Country-level impact measures** will capture the aggregate impact of FIRST work—catalytic and programmatic, direct and indirect—in each country. Having a robust M&E framework at the project level will enable FIRST to add the corresponding outcomes to country impact assessments.

FIRST will use a set of performance indicators that will capture operational efficiencies and outputs, as well as other measures that capture operational targets.

3

GREATER ACCESS TO FINANCE

More than half of the world's poor are unbanked and have limited or no access to financial services such as savings accounts, loans, credit, insurance, or payment systems. Without access to finance, poor people must rely on their limited savings to invest in education or become entrepreneurs—and small enterprises must rely on their limited earnings to pursue promising growth opportunities. These constraints can contribute to persistent income inequality and slower economic growth.

FIRST has funded about 70 access-to-finance TA projects for a total of US\$16 million, with US\$3.9 million in FY 2012 alone.

RESULTS OF ACCESS-TO-FINANCE PROJECTS

- **More people and entities have access to credit.** FIRST's efforts support the underserved and financially excluded through TA projects that aim to expand access to financial services for low-income households and for small and medium enterprises (SMEs), strengthen consumer protection, and build essential financial infrastructure.
- **Improved legal and regulatory framework.** FIRST provides support in drafting laws and regulations or reviewing draft laws and ensuring consistency with international practices. Recent country examples include Namibia—project #9059: Creating a Legal and Regulatory Framework for Deposit-Taking Microfinance Institutions; Lesotho—project #8006: Developing NBF Regulation and Supervision (five laws and regulations were drafted as a result of this project); and Moldova—project #10112: Payment System Modernization.
- **Capacity building.** FIRST's TA has increased the capacity of supervisory staff. In Namibia, project #9059: Creating a Legal and Regulatory Framework for Deposit-Taking Microfinance Institutions identified a serious lack of suitably skilled financial managers (cited as a major obstacle and a prohibitive cost during several stakeholder interviews) and a need for training programs to expand the pool of well-trained candidates. FIRST's TA has also created new products and services, such as a factoring scheme in Peru, project #289: Factoring Scheme for SMEs.

Namibia: Creating a Legal and Regulatory Framework for Deposit-Taking Microfinance Institutions

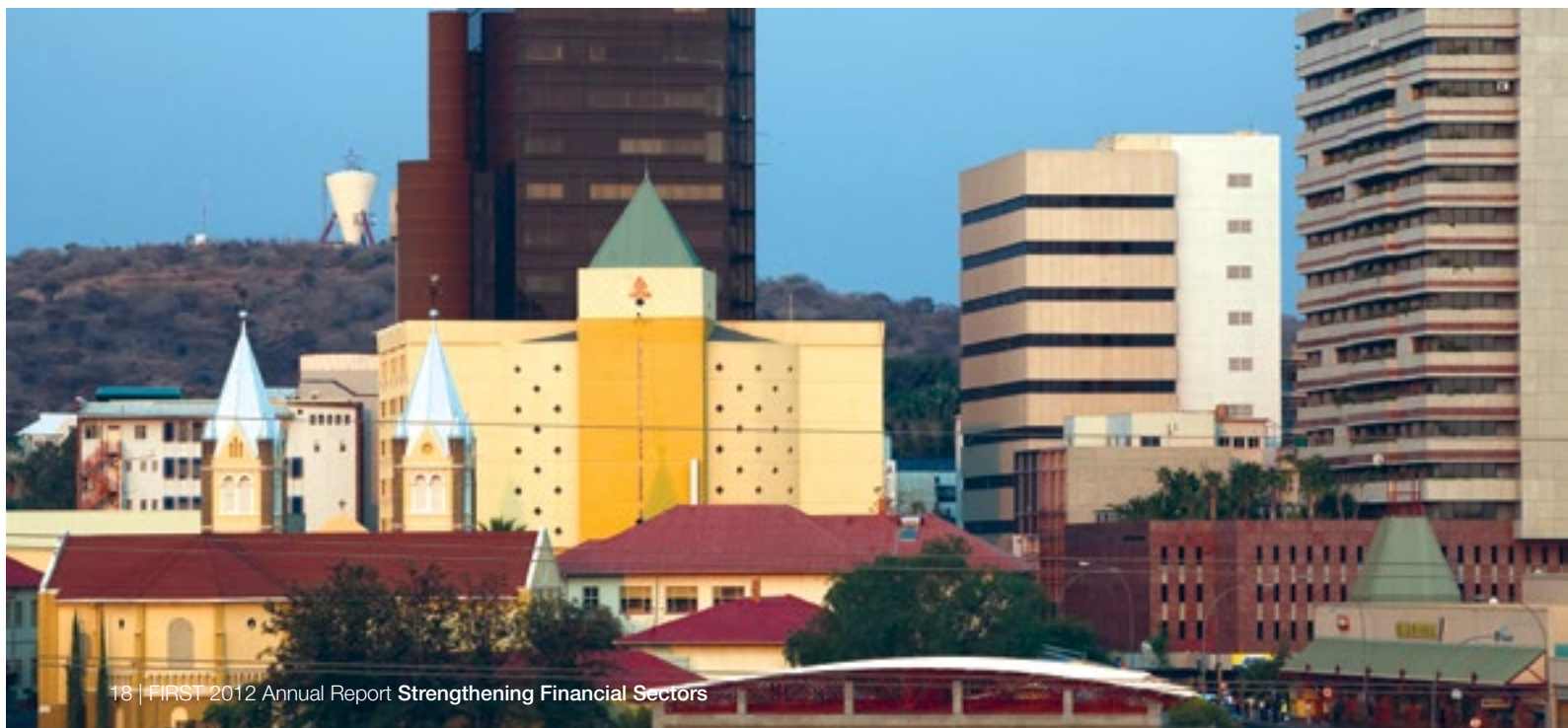
Historically, Namibia's financial sector has been unable to serve the majority of the population effectively—namely, the low-income population and informal small businesses. Many low-income individuals are excluded from formal banking relationships because of the very high costs of basic accounts as well as poor credit and savings services. The South Africa-dominated banking sector primarily targets middle- to upper-income retail customers and formal businesses, while informal SMEs and microenterprises face significant challenges in gaining access to financing. Many lower-income clients rely on high-cost—sometimes unlicensed—payday (salary) lenders and other informal sources of finance.

Given this starting point, the aim of this project was to establish an enabling legal and regulatory framework for formal microfinance providers that would be able to offer the low-income segment well-adapted, affordable financial products—including savings products—to better serve the majority's needs. In the longer term, the objectives of the project are a tangible improvement in access to finance for microenterprises and SMEs and for low-income Namibians, and overall development and deepening of the financial sector.

The short-term objective—designing a viable legal and regulatory framework for formal microfinance providers—was achieved. Moreover, the framework adopted was quite pragmatic and well balanced, as the Bank of Namibia chose to amend the existing banking legislation (Banking Institutions Act) rather than draft a new act.

In the longer term, the success of the project will depend on (i) the full adoption and implementation of the amendment and accompanying regulations and (ii) whether new deposit-taking microfinance institutions are sufficiently enticed by the new framework and the market potential in Namibia to launch operations and thereby expand access to finance and create an impact on economic development.

This is one of the few projects in a middle-income country in which FIRST has mobilized a true cash contribution from the client. Several aspects of this project that are important in terms of access to finance could form the basis of future projects by the Bank or other funders.





Moldova: Payment System Modernization

Recent studies reveal that shifting from paper-based payments to electronic ones could entail yearly savings to a country's economy of about 1 percent of its GDP. In 2010, before FIRST's project began, more than half of Moldovans lacked adequate access to financial services offered by banks. Only 47 percent of adults used banks or had access to electronic payment methods. Those people who had access did not trust the financial system entirely, especially the banks. Consumers were hesitant to adopt the use of payment cards and savings instruments because they were generally uncertain about the overall fee structure and the transparency of transactions and financial products.

To strengthen the national payment system, in 2010 the National Bank of Moldova (NBM) requested FIRST assistance to address key issues identified by an IMF–World Bank FSAP mission in August 2008 as well as strategic priorities identified by the NBM and other public authorities for the reform of the national payment system.

The objective of the project was to assist the NBM in (i) **strengthening the national payments system** by filling gaps in the legal, regulatory, and oversight frameworks and (ii) developing and implementing measures to promote **adoption of noncash retail payments**.

Under the first component of the project, FIRST funded consultants who provided support in reviewing the draft law on payment systems and ensuring consistency with international practices. **The law was approved by the Moldovan government in late 2011 and passed by the parliament in April 2012.** As a next step, a year after enactment of the law, the NBM will create supporting regulations that will facilitate implementation of the law. **Once the law is fully effective in the market, both banks and nonbank payment services providers will be able to offer broad payment services that help promote financial inclusion.**

The consultant team also developed a framework for payment systems oversight and cooperation, and detailed terms of reference for the establishment of a National Payments Council, with the aim of promoting cooperation in the development of payment and settlement systems, including new payment instruments.

Additionally, consultants conducted an analysis of the shadow economy and developed an action plan for introducing fiscal incentives to promote electronic payments and curb the use of the shadow economy. Further, the government asked the World Bank to develop an action plan to enable Posta Moldova to become an effective, efficient nonbank remittance service provider for the unbanked population.

This project is helping to promote market confidence in the payment systems, which is expected to result in greater deposit mobilization and an increase in the volume of electronic payments.

Belize: Payment Systems

The payment system in Belize is relatively underdeveloped with no sound legal basis to support its development. There is a strong need to develop a long-term strategic vision for the payments system as a whole. Furthermore, the current legal environment does not address many systems-specific issues, such as (i) recognition of the validity of clearing and settlement procedures like bilateral and multilateral netting; (ii) protection for collateral posted for liquidity support to complete settlement, and even settlement as such, from bankruptcy and similar legal processes; (iii) recognition of electronic means of issuing, transmitting, and processing payments; and (iv) competition and consumer protection.

The goal of the project was to support the Central Bank of Belize (CBB) in improving the safety and efficiency of the payments, remittances, and securities settlement systems in the country, by (i) developing an overall development strategy for the national payments system and (ii) reforming the legal and regulatory framework for payment systems.

The grant from FIRST achieved all the stated objectives. The National Payment Systems Development Strategy developed by FIRST consultants was well received. It clearly articulated the vision and implementation plan, which details the activities and target dates for individual development projects that are required to achieve the envisioned strategy goals. **The CBB is already leveraging the strategy to drive and manage the project through a collaborative approach with public and private sector stakeholders.** The private stakeholders have also had meetings to consider the creation of a national payment switch for retail payments.

Additionally, a draft payments system law, Treasury Bill rules, and consequent amendments have been completed and are under final review by the CBB before submission to the parliament. The draft oversight regulations and remittance regulations are being reviewed by the solicitor general's office.

The deliverables prompted all stakeholders to consider and agree that payments system reform is necessary and welcome. **The project prompted payment system stakeholders—government and private sector actors—to convene and consider the benefits of an electronic payments system in a country where a high percentage of payments have been paper-based.**

This project started the necessary discussions to sensitize stakeholders to the upcoming payments system reforms. The CBB is committed to the reform and has received approval from the Caribbean Development Bank for additional financing of the reforms.



4

ENHANCED FINANCIAL STABILITY

Since the launch of its crisis-preparedness program in 2008, FIRST has committed US\$6.1 million to supporting crisis-preparedness projects, helping more than 40 countries to improve the state of their preparedness to avoid and manage financial crisis.

Although the nature of crisis-preparedness products varies, they include help with a wide range of efforts; for example, drafting legislation to facilitate intra-agency communications or to enhance bankruptcy rules; establishing deposit insurance schemes; improving investor protection; developing instruments and markets to facilitate the provision of emergency liquidity assistance; identifying options and associated procedures for dealing with failing financial institutions; instituting financial reporting systems; and preparing or strengthening contingency plans. Often these products constitute a routine follow-up activity to an FSAP, where it has identified apparent weaknesses in the authorities' capacity.

Crisis-preparedness products have substantive impact in terms of preventing moral hazard and costly improvisation, which in turn creates stable financial systems, increases confidence in the financial sector, and increases government investment in other areas, which leads to more jobs and economic development.

RESULTS OF CRISIS-PREPAREDNESS PROJECTS

Enhanced stability. FIRST's crisis-preparedness products aim to minimize the disruption and fiscal costs generated by financial systemic breakdowns, thus contributing to greater stability and employment.

Increased awareness. The emerging economies learned from the experiences of developed countries that systemic crises are a real threat and that lack of response can be expensive both to taxpayers and to supervisory and regulatory authorities. As a result, the developing economies increasingly recognize the existence of financial vulnerabilities and the need to increase their preparedness to respond to potentially systemic problems.

Proven success and continuity. As a result of crisis-preparedness TA provided by FIRST, many countries (such as Albania, Azerbaijan, Morocco, and Zambia) now have well-thought-through crisis plans, including crisis coordination committees whose members are better aware of their roles and better prepared to respond to events. Several clients (such as Colombia, Guatemala, Morocco, and Nepal) requested follow-up TA to help implement recommendations identified in the initial TA engagement.

Increased intra- and inter-agency coordination and communication. The negative consequences of crises often are magnified because of uncoordinated information sharing and actions, leading in part to a loss of confidence that can exacerbate a crisis. FIRST's crisis-preparedness TA has brought multiple authorities to the same table in many countries and initiated improved communication and coordination between agencies.

Hands-on practice in managing a crisis. Crisis-simulation exercises are powerful tools because they help clients experience the speed with which crises can arise and evolve, leaving little time to, for example, draft laws, produce interpretations of existing rules, or acquire and analyze essential information. Such exercises help authorities think through these details, practice implementation of contingency plans, and thus become more self-confident in their capacity to respond.

Malawi: Strengthening Contingency Planning

The FIRST Initiative successfully assisted the Reserve Bank of Malawi in strengthening its contingency plans for ensuring a prompt, effective response to a financial crisis, including distress in systemically important financial institutions.

A comprehensive contingency framework was designed and provided to the authorities for implementation. Subsequently, the government agreed to TA that includes assistance for strengthening the legal and regulatory framework for financial stability.

The outputs of this project provided a framework for authorities and staff to think through the quality of existing laws, regulations, policies, procedures, and institutional arrangements for managing crisis. The framework improved the quality of project design for the larger TA and was extremely beneficial to the client.

The project is highly replicable and similar to that provided in other countries, which recently included Zambia and Mozambique. **A comprehensive contingency framework should certainly be considered as one of the preproject design activities that follows an FSAP in a country.**

The project helped identify reform needs and raise funds for overall financial sector reforms in Malawi. The World Bank committed **US\$28 million for these reforms. One of the project's core objectives is to increase the number of people who have access to financial services, especially women.**



Bangladesh: Contingency Planning

The main objective of the proposed TA was to strengthen the policy response of the Bangladesh authorities to instances of serious financial distress, thereby mitigating the negative impact of financial crisis situations on the real economy and on poverty. The direct beneficiary was Bangladesh Bank, which is both the monetary and the supervisory authority in the country. As such, it is expected to be the first agency to detect difficulties in the financial sector and acts as the lead agency in the subsequent stages of the financial crisis management process.

As a result of the project, a very detailed contingency plan was delivered to Bangladesh Bank. It included step-by-step instructions on what to do the first day, first week, and first month of a crisis, and a detailed coordination and communication strategy. The plan also recommended institutional and legal reforms.

Bangladesh Bank formalized the contingency plan within its organization and is implementing some of the institutional reforms, which contribute to immediate and near-term improvements in the bank's capacity to respond to financial distress effectively and promptly. The FIRST grant is also expected to strengthen the policy response capability of Bangladesh Bank; however, this objective cannot be measured yet, as there has been no financial distress in Bangladesh since the completion of the project.

Bangladesh Bank is expected to implement the recommendations related to its institutional and legal framework within two years, at which point the project will be sustainable. Additionally, it is highly likely that the bank will need to improve its capacity to implement these recommendations itself.

Mexico: Crisis-Simulation Exercise

The proposed TA aimed to provide Mexican government agencies with a way to test and enhance their tools for efficiently managing financial distress and potential systemic crisis through the conduct of a crisis-simulation exercise. The TA had three objectives:

1. To test how the government agencies would respond to the emergence of serious problems in one or more financial institutions, likely including the failure of a systemic bank
2. To test intra- and inter-agency coordination by the authorities in such a situation, including information sharing, analysis, decision making, and communications
3. To ascertain the adequacy of existing laws and regulations

The crisis-simulation exercise achieved all three objectives. It revealed substantial coordination and collaboration among the Mexican financial authorities and identified some areas where regulatory and supervisory reforms should be explored.

The participants in the exercise expressed their satisfaction and their intent to perform such exercises periodically to maintain their readiness to deal with situations of financial distress. **The FIRST project provided support to staff from the Mexican financial agencies in preparing and conducting crisis-simulation exercises, so that they are now fully capable of conducting them on their own.** The local project team is able to build and run simulations, facilitating the replicability of the project in Mexico.

It is important to continue training and preparing for episodes of financial distress. Conducting periodic simulation exercises is an effective instrument for improving readiness to deal with such situations. This type of project can be replicated in other countries. Crisis-simulation exercises have already been conducted in several countries, including many in Latin America.

In addition to crisis-preparedness projects like this one, FIRST has stepped up funding to directly build countries' capacity in stress testing and financial stability management, through projects implemented under the IMF window.





5

STRATEGIC FSAP IMPLEMENTATION

Systematic follow-up on the recommendations of financial sector diagnostic work can be complex, even for committed financial sector authorities. Diagnostic work such as the World Bank/IMF FSAP can help national financial sector authorities to identify the key legal, regulatory, and supervisory impediments to development of the sector. However, implementing such diagnostics can be a complex undertaking in the face of limited national capacity to prioritize the recommendations and to translate them into manageable, actionable steps. This situation is often compounded by difficulty in raising the TA funding necessary for implementation work.

FIRST's Financial Sector Development Strategy (FSDS) projects address these challenges through a logical, sequenced approach, delivering a relevant, clearly defined strategy and action plan to strengthen the financial sector with **the critical short-term outcome of catalyzing significant donor funding to take implementation forward.**

RESULTS OF FSDP PROJECTS

Effective prioritization of reforms. The FSDS process of prioritizing and sequencing reforms incorporates a country's specific national priorities, such as existing national development plans or subsector development strategies, or other donor assistance strategies, as well as new priorities for financial sector development.

Implementation plan. Once the recommendations are prioritized and discussed with the authorities, expert FIRST-funded consultants conduct additional analytical work as necessary and then work directly with national steering committees, subcommittees, and other stakeholders to prepare a cohesive, comprehensive sector development strategy. To ensure the strategy is concrete and can be implemented, it includes a detailed, time-bound, and budgeted action plan.

Involvement of a broader donor community. The FSDS process culminates with a presentation of the strategy and the action plan to relevant donors and stakeholders to obtain their financial and technical support for the implementation of each recommendation. FIRST's experience shows that the FSDS is a highly effective tool for catalyzing financial support for implementation work. For example, the Malawi Financial Sector Development Plan (FSDP) catalyzed an additional US\$28 million in Bank support, the Rwanda FSDP brought donor support in excess of US\$30 million, and the Nigeria FSDP was followed by two additional FIRST projects.

Nigeria: Financial Sector Strategy 2020

This project was part of an ongoing coordinated and comprehensive effort to support the Nigerian authorities in implementing the Financial Sector Strategy 2020 (FSS2020), as championed by the Central Bank of Nigeria and the Nigerian government, in order to enhance financial sector development in the country.

Under phase I of the project, in 2007, FIRST supported a number of study visits, the exchange of information, and the communication of international best practices. This work culminated in an international conference that provided official endorsement for the FSS2020 initiative. The focus of the initial FIRST support was ensuring that the FSS2020 team had access to available data, diagnostics, and international best practices. This phase helped to produce the FSS2020 strategy, outline priorities and actions for financial sector reform, and identify areas that required further diagnostics.

Under phase II, support was provided to undertake baseline diagnostic review of the financial sector by assessing key challenges that Nigeria faces in achieving its financial system vision and outlining practical, time-bound steps for overcoming them. Detailed action plans were developed across the various subsectors, including banking, access to microfinance, insurance, pensions, capital markets, and corporate governance. Along with the diagnostic review, a comprehensive implementation plan and an M&E framework were developed with relevant stakeholders.

After the project's completion and consultation with Nigerian stakeholders, the diagnostics were published in a book, *Making Finance Work for Nigeria*, which provides an overview of the financial sector, key issues and recommendations, and advice for policy makers on a phased implementation strategy.

This project has succeeded in balancing resources to address immediate needs for advisory services and funding as well as longer-term development priorities. Based on the recommendations from FSS2020, FIRST funded two additional TA projects, which are still under way. One, "Enhancing the Capacity of the Securities and Exchange Commission (SEC)," is enabling the SEC to more effectively oversee and monitor the capital market institutions and participants, including the Nigeria Stock Exchange, and to improve transparency and reduce market abuse. The second, "Strategy to Strengthen Deposit Insurance and Resolution Frameworks," aims to provide the Nigeria Deposit Insurance Corporation with practical tools and a comprehensive evaluation process so it can play its role effectively, contributing to a robust financial safety net and overall financial stability that can withstand future financial crises.



Rwanda: Financial Sector Development Plan I and II (update)

Since the implementation of FSDP I in 2008, the major regulatory and institutional elements of a developed financial sector have been put in place in Rwanda. A range of bank and nonbank deposit-taking institutions, insurance companies, and capital markets firms are providing an expanding range of products and services, positioning the financial sector to contribute to meeting the economic cluster targets of Vision 2020, which is intended to transform Rwanda into a middle-income country. Relatively few of the targets are specific to the financial sector, but a vibrant financial sector is crucial to achieving almost all economic and social objectives.

FSDP II is less about the creation of institutions and markets, and more about building from a sound base to expand outreach, efficiency and innovation, and integration in the East African Community (EAC). FSDP II comprises four main programs:

- Financial inclusion
- Development of financial institutions, markets, and supporting infrastructure
- Investment and savings to transform the economy
- Protection of consumers and maintenance of financial stability

The overarching vision remains unchanged from FSDP I: to develop a stable, sound financial sector that is sufficiently deep and broad, and capable of efficiently mobilizing and allocating resources to address the development needs of the economy and reduce poverty. **The dramatic increase in the share of the population with access to financial services—from 47 to 72 percent—catalyzed by FSDP I has placed Rwanda well on track to reach 80 percent by the end of FSDP II in 2017.**



Burundi: Development of Financial Sector Strategy

The objective of this TA is to assist the Burundi authorities in preparing an FSIDS and action plan on the basis of the FSAP findings and recommendations. The TA also includes some analytical work, as needed—particularly on access to finance—to complement analysis performed under the FSAP. The strategy and action plan will provide the basis for future donor support, including World Bank support through a project currently in preparation. The strategy and action plan will take into account Burundi's commitment in the financial sector in the context of the EAC, which it joined in June 2007.

The sector is severely underdeveloped. It lags behind those of Burundi's EAC neighbors and is probably one of the weakest in Sub-Saharan Africa. The commercial banks suffer from high amounts of nonperforming loans and internal weaknesses, although there is some prospect for changes with the recent entry of foreign banks. A government-owned bank is especially vulnerable to credit risk and to credit to public enterprises. Bank supervision does not meet international standards. The payment system is archaic: clearing is manual, there is no real-time gross settlement system for large payments, and there is no card payment system. The largest microfinance network is facing difficulties; supervision is lacking. Insurance companies operate without a license and without supervision. There are no charts of account specific to banks, microfinance institutions, and insurance companies. Access to housing, SME, and agricultural finance is quite limited—possibly the lowest in Sub-Saharan Africa.

There is obviously a great deal to do to rebuild the financial sector of this postconflict country. The requested TA to support the development of a financial sector strategy and the accompanying detailed action plan on the basis of the FSAP findings are first steps in building the capacity necessary for Burundi's financial sector to play its proper role in economic development.

The project has already produced results. **The strategy was finalized and disseminated on May 30, 2011, at a public workshop organized by the government in Bujumbura. The strategy, which was adopted by the Council of Ministers on April 7, 2011, deals with all financial institutions and places a special focus on access to financial services (including, among others, housing, SME, and rural finance).**

In this context, the strategy aims to ensure (i) a healthy banking sector that contributes to savings mobilization and provides the required access to financing for firms of all sizes, as well as financing of housing and agriculture and all other sectors that are sources of growth; (ii) strong microfinance institutions well-endowed with human and financial resources to serve the entire population, particularly in rural areas; (iii) insurance companies that can fully assume their role in the country through risk intermediation and the provision of long-term resources that the economy needs; (iv) social security institutions that ensure the broadest possible coverage of social protection; (v) responsible management of government resources and public debt; and (vi) a conducive legal and judicial environment.

Preceding the strategy adoption and dissemination was an 18-month consultation process led by a steering committee chaired by the Ministry of Finance, with membership representing the central bank and all other regulatory agencies.

The government exhibited a high level of awareness and ownership of the strategy. Besides the launch workshop, a series of media events were held and the document was published and distributed widely. **The strategy and action plan have provided the basis for donors to support this critically important sector for Burundi through the ongoing World Bank-financed Financial and Private Sector Development Program, where recommendations are being supported through the project's implementation.**

6

CAPACITY BUILDING

Reducing poverty in poor countries fundamentally depends on a substantial effort from the countries themselves, especially in implementing the reforms needed to improve economic performance. Unfortunately, countries often lack the capacity to implement needed reforms or even to make the best possible use of foreign assistance. Where capacity is weak—that is, where a government is unable to carry out its own policies effectively—the consequences for society can be very costly. Imprudent institutions, paired with poor sector policies and unsound markets, lay the foundation for financial crises, by destabilizing economies, hindering economic growth, and jeopardizing hard-won development gains among the most vulnerable.

FIRST is strongly committed to developing institutional capacity and is devoting a substantial share of its resources—about US\$20 million in more than 100 projects (every fourth project)—to TA and training in banking, insurance, pensions, capital markets, and NBFIs. About half of all the capacity-building projects were conducted in the Africa region.

RESULTS OF CAPACITY-BUILDING PROJECTS

Enhanced institutional and human capacity. FIRST helps to prepare institutional development strategies or gives advice on organization, which enhances supervision and internal interactions and improves the quality of products and processes (for example, in El Salvador, project #10172: Organizational Structure of the Integrated Financial Services Superintendency; in Vietnam, project #8033: Strengthening Public Credit Registry; in Seychelles, project #9023: Review of Publicly Owned Financial Institutions).

El Salvador: Organizational Structure of the Integrated Financial Services Superintendency

The Law on Supervision and Regulation of Financial System, enacted in January 2011, mandated the integration of supervisors of banks, insurance, pensions, and securities into a new single institution—the Financial Services Superintendency (FSS)—and appointed the Central Bank to be responsible for regulations. The FSS will be a more complex institution, responsible for supervising all regulated financial intermediaries. That is why the FSS requested that FIRST fund a project to develop the organizational structure of the FSS and a road map for orderly integration of the superintendencies. The team of consultants formulated a proposal for the new structure and presented it to the new financial sector superintendent and his transition team.

The main objectives of the proposed structure are to ensure effective supervision of conglomerates, reduce the scope for regulatory arbitrage among financial institutions with different licenses, facilitate supervision of systemic risks, and establish a risk-based supervision approach. The proposal takes into account the restrictions imposed on the structure by the new law and introduces check and balances through the structure and mechanisms to ensure that the same standards are applied across similar institutions. The team of consultants also provided several recommendations drawn from their own experience in institutional restructuring and discussed details of the envisioned supervisory process with different groups of the transition team.

The proposed design of the new integrated FSS was implemented with only minor modifications. The superintendent mentioned that the integration of the FSS has strengthened the activities and organizational performance of the different units of the institution.

The quality of the advice provided in this project, and in other complementary FIRST-funded projects, has facilitated the **creation of a strong partnership with the Salvadoran financial authorities** for the implementation of a comprehensive financial sector reform program and a continuing **high-level dialogue on financial sector issues**.

The new organizational structure of the FSS is expected to strengthen financial sector supervision by improving the supervision of financial conglomerates, avoiding supervisory arbitrage, and facilitating the adoption of a risk-based supervisory approach.

This type of project is replicable for other agencies undergoing restructuring.

Rwanda: Strengthening of Savings and Credit Cooperatives

This follow-up to the FSAP Update carried out in February 2011 had as its goal to provide support to the authorities in developing an adequate supervisory model for savings and credit cooperatives (SACCOs) and strengthening the capacity of the National Bank of Rwanda to adequately supervise these institutions. The deliverables of the project were achieved, specifically:

- A supervisory model for SACCOs was developed.
- Supervisory manuals and guidelines were written.
- The training needs of the SACCO managers and board members were assessed.
- A training program to meet the needs of supervisors was created and conducted.

In 2009 the Government of Rwanda initiated a large-scale program to establish a SACCO in each region of the country. By 2010 all of these SACCOs had begun operations. From 2008 to July 2012, the share of the population with financial access increased from 47 percent to 72 percent. The SACCOs have played a dominant role in this change because they have offices in 215 rural locations that previously had no financial institution and because they serve over 1.3 million people (26 percent of the adult population).

In November 2011, at the start of this project, 16 percent of the SACCOs were financially sustainable. At the end of the TA in August 2012, over 50 percent were financially sustainable and on a consolidated basis, the entire system was sustainable. SACCOs had 2.9 percent in nonperforming loans and 18.7 percent capital in total assets. Although this project cannot claim the credit for these impressive financial results, **it was instrumental in helping the National Bank of Rwanda refocus on growing loan income, reallocating investments to achieve greater profitability, and decreasing nonperforming loans in SACCOs.**

Getting the SACCOs on a path of financial sustainability—through well-trained SACCO supervisors, as in this project—is critical. This project was one intervention in a larger program to support the strengthening of SACCOs in Rwanda. **Additional TA from the national government and international donors is being planned to build capacity in the sector.**



Azerbaijan: Systemic Risk Response Framework Model (update)

From May through September 2010, FIRST assisted the Central Bank of Azerbaijan (CBA) in developing a systemic risk response framework (SRRF) and enhancing the CBA's supervisory capacity. As a result of this project (phase I), a framework was custom-built for the Azerbaijan system using the system dynamics modeling methodology.

Implementation of phase I was very helpful in conducting forecasting, scenario analysis, stress tests, and other relevant research. However, the model was more sophisticated than the CBA expected and the bank experienced several technical problems: discrepancies between the model and the CBA's prudential reporting, and difficulties with guidelines and output generated from implementing stress test scenarios. To address these problems, the CBA requested a second phase of follow-up TA to integrate the use of the SRRF into their supervisory process.

Phase II addressed several issues, including the creation of a more detailed manual, improved comprehension of the working mechanism of the model, and support for the CBA in integrating the SRRF into its supervisory process. Additional macro and micro links were added to the scenarios, and the flexibility of the system with respect to the assignment of scenarios was increased. Simulations were conducted, and the technical capabilities of the model and the results were presented to executives. In addition, the model was brought to a working stage and plans for its future use were discussed.

As a result, full-scale benefits of the model are available now. **The model allows for the modeling of complex systems and gives the CBA the ability to identify interdependencies between the elements of financial systems, including macroeconomic factors; bank balance-sheet items such as assets, liability, and equity; and bank behavior, such as loan loss provisioning and liquidity management.** The CBA has been using the developed quantitative model on a regular basis and is confident about using the model during its supervisory process.



ANNEX I. SOURCES AND USES OF FUNDS

In FY 2012, FIRST approved 70 new projects, with a value of US\$15.3 million—representing an increase of 26 percent over the previous year. In accordance with the administration agreements, donors paid in US\$8.2 million into the trust fund and another US\$2.3 million for phase III, and US\$0.2 million was credited to the trust fund as investment income. The trust fund disbursed US\$11.3 million (including transfers to the IMF) for project implementation and administration expenses.

As of June 30, 2012, FIRST's fund balance stood at US\$30.03 million, of which US\$12.6 million was allocated to ongoing World Bank-implemented projects and US\$2.6 million was allocated to the FY 2013 PMU budget. The Combined Statement of Receipts, Disbursements, and Fund Balance and appear in table 1.

Table 1. Combined Statement of Receipts, Disbursements, and Fund Balance (US\$) (note 1)

Contributions: (note 2)	as of 6/30/12	as of 6/30/11
Canada	17,762,763	17,762,763
Germany	5,581,442	3,995,535
Luxembourg	2,642,016	361,250
Netherlands	14,742,597	12,128,097
Sweden	8,231,682	6,772,243
Switzerland	24,365,119	21,865,119
United Kingdom	40,392,173	40,392,173
Total Contributions	113,717,792	103,277,180
Net investment income (note 3)	8,115,842	7,935,890
Total receipts	121,833,634	111,213,070
Disbursements (note 4)	61,856,794	53,945,986
IMF Subaccount (note 5)	11,951,867	10,666,011
Administrative fees (note 6)	3,765,907	3,243,698
Coordination Unit and Steering Committee expenses	3,774,790	3,774,790
Program Management Unit expenses	10,450,210	8,385,405
Total disbursements	91,799,567	80,015,890
Excess of receipts over disbursements	30,034,066	31,197,180
Fund balance		
Beginning of period	31,197,180	36,197,742
Movement during the year	(1,163,114)	(5,000,562)
End of period	30,034,066	31,197,180
Trust fund's share of the cash and investments in the pool	30,034,066	31,197,180

Note 1. Basis of accounting

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, modified to record the share in the pooled cash and investments at fair value (modified cash basis of accounting). Accordingly, net investment income includes realized and unrealized investment income/loss.

The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States (U.S. GAAP) or International Financial Reporting Standards (IFRS). Receipts, with the exception of net investment income as described above, are reported when collected rather than when pledged/earned, and disbursements are reported when paid.

The International Bank for Reconstruction and Development (IBRD) is an international organization that conducts its operations in the currencies of all of its members. Contributions and disbursements in currencies other than the reporting currency of U.S. dollars, if applicable, are recorded at the market rates of exchange in effect on the transaction dates. Transaction gains or losses, if any on disbursements, are borne by the IBRD.

Amounts paid into the trust fund but not yet disbursed are managed by the IBRD as Trustee which maintains an investment portfolio (the Pool) for all of the trust funds administered by the IBRD, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes (collectively, the World Bank Group). The IBRD maintains all trust fund assets separate and apart from the funds of the World Bank Group.

Note 2. Contributions

Conversions into U.S. dollars of contributions received in various currencies are initiated by the IBRD upon the receipt of funds and receipt of countersigned administration agreements. The amounts committed by the donors and received by the IBRD for the period from November 22, 2002 (date of inception), through June 30, 2012, appear in table 2.

Table 2. Combined Statement of Cash Receipts, Disbursements and Fund Balance (in US\$)

Low-Income Fund					
Donor	Amounts committed		Amounts received		Contributions received (converted to US\$)
Phase I					
Netherlands	€	6,660,000	€	6,660,000	7,816,897
Sweden	SKr	20,000,000	SKr	20,000,000	2,626,714
Switzerland	Sw F	8,400,000	Sw F	8,400,000	6,515,392
United Kingdom	£	11,900,000	£	10,827,756	18,782,815
35,741,818					
Phase II					
Canada	CAN \$	5,000,000	CAN \$	5,000,000	4,714,377
Germany	€	2,450,000	€	2,450,000	3,417,590
Luxembourg	€	250,000	€	250,000	361,250
Sweden	SKr	40,000,000	SKr	40,000,000	5,604,968
Switzerland	\$	1,800,000	\$	1,799,973	1,799,973
Netherlands	€	5,000,000	€	5,000,000	6,925,700
United Kingdom	£	7,300,000	£	7,300,000	13,559,580
Phase III					
Luxembourg	€	1,093,000	€	883,500	1,140,383
37,523,821					
Total Low-Income Fund contributions					
73,265,639					

Middle-Income Fund					
Donor	Amounts committed		Amounts received		Contributions received (converted to \$)
Phase I					
Canada	CAN \$	12,000,000	CAN \$	7,999,960	5,668,221
Canada	CAN \$	0	CAN \$	2,665,788	2,665,788
Switzerland	\$	5,600,000	Sw F	5,600,000	4,349,806
United Kingdom	£	5,100,000	£	4,640,467	8,049,778
					20,733,593
Phase II					
Canada	CAN \$	5,000,000	CAN \$	5,000,000	4,714,377
Germany	€	1,550,000	€	1,550,000	2,163,852
Switzerland	\$	11,700,000	\$	11,699,948	11,699,948
Phase III					
Luxembourg	€	1,093,000	€	883,500	1,140,383
					19,718,560
Total Middle-Income Fund contributions					40,452,153
Combined phase I, phase II, and phase III contributions					113,717,792

Note 3. Net investment income

The Pool is divided into subportfolios to which allocations are made based on fund-specific investment horizons, risk tolerances, and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD, in accordance with the trust fund agreements. The Pool is invested in liquid financial instruments such as time deposits, money market securities, government and agency obligations, and asset-backed securities. The Pool may also include securities pledged as collateral under repurchase agreements with other counterparties and receivables from resale agreements for which it has accepted collateral. Additionally, the Pool includes derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and mortgage-backed securities To-Be-Announced trades. Payables and receivables associated with the investment activities are also included in the Pool.

The Pool is a trading portfolio and is reported at fair value with gains/losses included in net investment income. The share in the pooled cash and investments represents the trust fund's share of the Pool's fair value at the end of the reporting period.

Net investment income consists of the trust fund's allocated share of the following: interest income earned by the Pool, realized gains/losses from sales of securities, and unrealized gains/losses resulting from recording the assets held by the Pool at fair value. Net investment income in the amount of \$179,952 and \$ 8,115,842 was credited to the trust fund during the year ended June 30, 2012, and for the period from November 22, 2002 (date of inception) to June 30, 2012, respectively.

Note 4. Disbursements

During phase I of FIRST's operations (fiscal 2003–07), the IBRD acted in its capacity as a fiscal agent, disbursing amounts from the trust fund to a disbursement bank account for payments to TA providers. The phase I administrative arrangements also provided for the IBRD to make contributions to FIRST under the Development Grant Facility (DGF). As of June 30, 2012, contributions in the amount of US\$1.2 million had been made through the DGF window and had 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.

From March 1, 2007, all payments to TA providers are being disbursed directly from the IBRD and are made in accordance with the IBRD's policies and procedures. Disbursements also cover IBRD and IMF staff time and travel costs. During the year ended June 30, 2012, direct project disbursements from the trust fund were US\$9.2 million (including IMF but excluding PMU expenses).

Note 5. IMF subaccount

The phase II administrative arrangements provide that the IBRD disburses to the IMF subaccount 15 percent of net paid-in contributions for IMF-executed activities. During the year ended June 30, 2012, FIRST disbursed US\$1.1 million to the IMF (of which US\$0.1 million was for phase III funds). Cumulative disbursements to the IMF total US\$12 million (table 3).

The details on IMF disbursements and commitments are provided in table 4 (data provided by the IMF).

Table 3. Transfers to IMF Subaccount (US\$)

	Donor Contributions	World Bank Administration Fee (5%)	Net Contributions	IMF 15%	FY 2012 Cumulative Disbursements to IMF	Disbursed to IMF during FY 2012	Due to IMF as of June 30, 2012
Phase III	2,280,766	(114,038)	2,166,728	325,009	126,962	126,962	198,047
Cumulative new phase II contributions received	54,961,615	(2,748,081)	52,213,534	7,832,030	7,832,030	969,729	0
Phase I balance transferred to phase II	26,640,000	0	26,645,058	3,996,000	3,992,875	0	3,125
Total	83,882,381	(2,862,119)	81,025,320	12,153,039	11,951,867	1,096,691	201,172

As of June 30, 2012, the IMF subaccount had received US\$11.9 million in funds (including interest income) out of which \$10.7 million was committed to projects and the balance, US\$1.2 million, was uncommitted.

Table 4. Details on IMF Funds and Commitments to Projects as of June 2012 (US\$)

	Low-income countries	Middle-income countries	Total
Contributions to date	8,364,983	3,586,884	11,951,867
Minus funds transformed for Phase III	0	(126,962)	(126,962)
Interest earned through June 30, 2012	86,628	27,546	114,174
Total Available Funds	8,451,611	3,487,468	11,939,079
Forecast commitments (*)			
Projects approved (51)	6,780,706	3,473,431	10,254,137
Projects pending PAC/GC approval (2)	483,117	0	483,117
Subtotal Approvals and Commitments	7,263,823	3,473,431	10,737,254
Uncommitted Available Funding	1,187,788	14,037	1,201,825

Source: IMF Institute for Capacity Development

* Includes overhead (13%)

Note 6. Administration fees

During phase I, to assist in the defrayment of costs incurred for administration, supervision, and oversight of the trust fund, the IBRD retained from the investment income received by the 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 administration agreements, the IBRD retained 5 percent of the contributions for the administration of the trust fund. Administrative fees in the amount of US\$0.5 million were deducted by the IBRD during the year ended June 30, 2012. Cumulative deduction since inception totals US\$3.7 million.

ANNEX II. PROJECTS APPROVED IN FY 2012

Country	Project title	Amount (US\$)
EAST ASIA AND PACIFIC		
Cambodia	Comprehensive Review and Strengthening of Legal Framework Surrounding the Financial Sector	304,030
China	Promoting Access to Finance Through Strengthening the Rural Credit Cooperatives System	248,000
Lao PDR	Improving Efficiency of Payment Systems	239,850
Papua New Guinea	Development of Crisis-Preparedness Framework	123,720
Papua New Guinea	Development of Prudential Standards	173,516
Papua New Guinea	Implementing On-Site Supervision	240,336
Philippines	Developing Microinsurance Reporting Framework	284,243
Total for region		1,613,695
EUROPE AND CENTRAL ASIA		
Albania	Strengthening Deposit Insurance and Resolution Frameworks	119,028
Armenia	Strengthening Financial Consumer Protection	254,908
Azerbaijan	Operationalizing Systemic Risk Response Framework	89,096
Belarus	Strengthening Banking Supervision	238,362
Georgia	Modernizing Payment Systems Regulatory Framework	210,870
Macedonia, FYR	Crisis Preparedness	108,309
Macedonia, FYR	Liberalizing MTPL Insurance Market	279,778
Moldova	Improving Access to Credit through Secured Transactions Reform	280,700
Moldova	Payment System Modernization	237,000
Russia	Strengthening Bank Regulation and Supervision	264,408
Tajikistan	Strengthening Bank Regulation and Supervision	390,800
Tajikistan	Legal Framework for Secured Transaction	115,550
Turkey	Strength Solvency Supervision	353,246
Uzbekistan	Strengthening Banking Regulation and Supervision	241,500
Uzbekistan	Enhancing Financial Reporting and Auditing in the Banking Sector	253,294
Total for region		3,436,849
LATIN AMERICA AND CARIBBEAN		
Brazil	Introduction of Covered Bonds	224,690
Colombia	Monitoring and Disclosure of Financial Services	46,800
Costa Rica	Development of Capital Markets	149,800
Costa Rica	Financial Crisis-Simulation Program	124,845
El Salvador	Strengthening Safety Nets	93,620
Guyana	Supervision of Nonbank Financial Institutions	198,015
Haiti	Strengthening Insurance Regulation and Supervision	339,040
Honduras	Strengthening Credit Reporting	86,600
Paraguay	Crisis-Simulation Exercise	194,060
Total for region		1,457,470

Country	Project title	Amount (US\$)
MIDDLE EAST AND NORTH AFRICA		
Egypt, Arab Rep. of	Financial Projection Model	178,232
Jordan	Strengthening Solvency Supervision	402,010
Morocco	Strategy and Instruments to Establish Reliable Interest Rate Benchmarks	422,499
West Bank and Gaza	Building National Payments System	124,173
West Bank and Gaza	Capital Market Development, Phase II	195,559
Total for region		1,322,473
SOUTH ASIA		
Bangladesh	Financial Project Model	243,198
Bangladesh	Strengthening Internal Audit	118,870
Maldives	Foreign Exchange Operations Framework	98,310
Nepal	Problem Bank Resolution Operational Manual and Toolkit	123,675
Total for region		584,053
SUB-SAHARAN AFRICA		
Botswana	Establishing Financial Stability Function at the Bank of Botswana	255,850
Botswana	Pension and Insurance Capacity Building	75,264
Botswana	Captive Cell Insurance	71,100
Cape Verde	Financial Sector Development Strategy	293,121
Côte d'Ivoire	Financial Sector Development Strategy	388,000
Djibouti	Strengthening Banking Supervision Phase II	150,290
Ethiopia	Regulatory and Supervisory Framework for Microinsurance	227,100
Gambia, The	Developing a Stress Testing Framework for the Central Bank of The Gambia	193,117
Gambia, The	Supporting IFRS Implementation in the Financial Sector	262,900
Kenya	Capacity Building on Stress Testing, Crisis Management Framework, and Intervention	215,095
Kenya	Strengthening Supervisory Capacity of the Capital Markets Authority	146,561
Kenya	Strengthening Supervisory Capacity of the Insurance Regulatory Authority and the Retirement Benefits Authority	194,812
Lesotho	IMF Baseline FS Stability	226,734
Liberia	Developing Capacity for Stress Testing	117,746
Mauritius	Strengthening Financial Sector Stability	232,034
Namibia	Crisis Management Plan	263,800
Nigeria	Crisis Management Plan	232,893
Nigeria	Strategy to Strengthen Deposit Insurance and Resolution Frameworks	117,500
Rwanda	Supervision of Savings and Credit Cooperatives (SACCOs)	247,775
Rwanda	Bank Supervision Capacity-Building Assistance to the National Bank of Rwanda, Phase II	247,696
Rwanda	Financial Sector Development Plan, 2011	437,000
Seychelles	Housing Finance	202,000
Swaziland	Strengthening Supervision of Deposit-Taking Savings and Credit Cooperatives	216,169
Swaziland	Supervision of Nonbank Deposit-Taking Financial Institutions	227,356
Tanzania	Legal, Regulatory, and Supervisory Framework for Islamic Banking	289,358
Tanzania	Legal and Regulatory Framework for Mergers and Acquisitions	144,800
Togo	Financial Sector Development Strategy	293,110
Uganda	Strengthening Bank Regulation	334,494
Zambia	Regulatory and Supervisory Framework for Microinsurance and Insurance Intermediaries	314,700
Zimbabwe	Strengthening Accounting and Auditing Oversight at PAAB	270,350
Total for region		6,888,725

ANNEX III. PROJECTS APPROVED IN FY 2003–12 (Phases I and II)

Country/ region	Project #	Project title	Commitments (US\$)
SUB-SAHARAN AFRICA			
Angola	274	Project Formulation for Nonbank Financial Institutions (NBFI) Sector Technical Assistance (TA)	12,710
Angola	636	Development of NBFI Regulatory and Supervisory Frameworks	108,000
Benin	10093	Crisis Resolution and Vulnerable Assessment	184,427
Botswana	249	NBFI Supervision and Strategy	148,608
Botswana	614	Updating Accounting and Auditing Legislation	40,468
Botswana	7085	Technical Assistance for Accounting Oversight Board	88,000
Botswana	9055	Enhancing Supervision of Capital Markets	191,533
Botswana	10043	Financial Sector Development Strategy	389,200
Botswana	10098	Captive Cell Insurance	71,100
Botswana	10194	Pension and Insurance Capacity Building	75,264
Botswana	10204	Establishing Financial Stability Function at the Bank of Botswana	255,850
Burkina Faso	8072	Advice on the Financial Sector Strategy	390,000
Burundi	577	Central Bank Strengthening	185,140
Burundi	8036	Central Bank Information Management Strengthening	181,094
Burundi	9012	Development of Financial Sector Strategy	252,000
Cameroon	22	Financial Markets Commission Capacity Building	98,264
Cape Verde	10155	Enhancing Bank Supervision and Crisis Resolution	231,650
Cape Verde	10179	Financial Sector Development Strategy	293,121
Comoros	10020	Capacity Building in Banking Supervision, Accounting and Auditing	249,571
Congo, DR of	8024	Central Bank Modernization	450,644
Côte d'Ivoire	10217	Financial Sector Development Strategy	388,000
Djibouti	464	Action Plan for Strengthening SME Financing Mechanisms	188,000
Djibouti	10132	Banking Supervision	98,310
Djibouti	10262	Strengthening Banking Supervision Phase II	150,290
Ethiopia	10108	Regulatory and Supervisory Framework for Microinsurance	227,100
Gambia, The	355	Development and Implementation of Central Bank Book Entry System	84,509
Gambia, The	10011	Strengthening the Regulatory Framework of Accounting and Auditing	62,050
Gambia, The	10192	Supporting IFRS Implementation in the Financial Sector	262,900
Gambia, The	10210	Developing a Stress Testing Framework for the Central Bank of The Gambia	193,117
Ghana	80	Rural Bank Restructuring	71,042
Ghana	401	Payments Systems Project Design for the Millennium Challenge Corporation	44,550
Ghana	9025	Strengthening the Accounting Profession	310,000
Guinea	388	Development of a Microfinance Regulatory and Supervisory Framework	239,933
Guinea	442	Fostering Foreign Exchange Market Development	129,014
Guinea	595	Leasing Law	114,940
Kenya	169	Strategy for Development Finance and Increasing Access to Financial Services	244,872
Kenya	222	Reform of the Legal and Institutional Framework for Asset Financing	302,905
Kenya	241	Development of Audit Quality Review Program	76,646
Kenya	250	Strengthening Central Bank Business Processes	466,008
Kenya	351	Development of Mortality and Morbidity Tables	151,960
Kenya	8054	Shelter Afrique Capacity Building for Housing Finance	223,003
Kenya	10097	Capacity Building on Stress Testing, Crisis Management Framework and Intervention	215,095

Country/ region	Project #	Project title	Commitments (US\$)
Kenya	10160	Strengthening Accounting and Audit Legal Framework	106,250
Kenya	10212	Strengthening Supervisory Capacity of the Capital Markets Authority	146,561
Kenya	10213	Strengthening Supervisory Capacity of Insurance Regulatory Authority and the Retirement Benefits Authority	194,812
Lesotho	6	Insurance Sector Strengthening	171,249
Lesotho	410	Automated Clearing House Systems Project Design for Millennium Challenge Corporation	42,189
Lesotho	8006	Developing NBFi Regulation and Supervision	376,000
Lesotho	10030	Strengthening Pension Supervision	98,500
Lesotho	10099	Strengthening Insurance Supervision	163,963
Lesotho	10250	IMF Baseline FS Stability	226,734
Liberia	8049	Revitalizing Financial Services	71,958
Liberia	8061	Banking Supervision Reform	245,660
Liberia	10055	NBFi Regulatory and Supervision Framework	300,400
Liberia	10056	Capital Markets Strategy & Legal and Regulatory Framework	229,100
Liberia	10276	Developing Capacity for Stress Testing	117,746
Madagascar	280	Developing a Microfinance Credit Information Bureau	96,912
Madagascar	346	Project Design for Assistance on Modernization and Reform of the Private Sector Pension Fund	5,197
Madagascar	626	Modernization and Reform of the Private Sector Pension Fund	341,437
Madagascar	7019	Financial Sector Strategy and Development Plan	244,574
Malawi	132	Evaluation of Central Bank Book Entry System	13,934
Malawi	284	Strengthening NBFi Framework and Advice on Pension Reform	112,008
Malawi	416	Strengthening NBFi Framework and Advice on Pension Reform	254,710
Malawi	465	Enhancement of Central Bank Book Entry System	86,160
Malawi	7068	Developing Country Action Plan for ROSC Accounting and Auditing	72,658
Malawi	8026	Financial Sector Development Strategy	245,000
Malawi	9038	Strengthening Contingency Planning	130,800
Mali	371	Strategy for Introducing Worker's Hazard, Health Insurance, and Funded Pillar for Public Pensions	282,058
Mauritania	193	Strengthening Microfinance Supervision	21,972
Mauritania	10028	Financial Sector Development Strategy	306,250
Mauritius	21	Preparation of a Code of Corporate Governance	117,000
Mauritius	65	Implementation of Effective AML/CFT Measures	127,168
Mauritius	90	Strengthening Securities and Listing Regulations	179,789
Mauritius	239	Establishing Second-Tier Securities Market and Restructuring Over-the-Counter Market	158,502
Mauritius	251	Establishing a Financial Reporting Council	167,536
Mauritius	300	Assistance with Drafting Securities Legislation	48,128
Mauritius	367	Development of Selected Nonbank Financial Regulations	377,712
Mauritius	598	Establishment of the Mauritius Institute of Directors	33,800
Mauritius	7074	Central Bank Supervision Strengthening	270,296
Mauritius	10022	Financial Stability Framework	237,300
Mauritius	10242	Strengthening Financial Sector Stability	232,034
Mozambique	8145	Contingency Planning for Mozambique	129,228
Mozambique	10170	Financial Sector Development Strategy	227,550
Mozambique	10175	Stress Testing & Payment System Oversight	219,344

Country/ region	Project #	Project title	Commitments (US\$)
Namibia	141	NAMFISA: Development of Capacity-Building Strategy	113,128
Namibia	9059	Creating a Legal and Regulatory Framework for Deposit-Taking Microfinance Institutions	211,305
Namibia	10047	Financial Crisis-Simulation Exercise	248,000
Namibia	10100	Strengthening Nonbank Financial Institutions Supervision	164,415
Namibia	10218	Crisis Management Plan	263,800
Namibia	247	Assessing Viability of Second-Tier Banking	55,977
Niger	10091	Financial Sector Development Strategy	245,121
Nigeria	658	Financial Systems Strategy 2020	194,744
Nigeria	7063	Financial Sector Strategy 2020 - Phase II	632,455
Nigeria	9066	Bank Resolution	186,450
Nigeria	10073	Enhancing the Capacity of the Securities Exchange Commission (SEC)	162,000
Nigeria	10101	Strengthening Capacity for Financial Stability, Analysis and Reporting at Central Bank of Nigeria	232,893
Nigeria	10183	Strategy to Strengthen Deposit Insurance and Resolution Frameworks	117,500
Rwanda	115	Linking Payment Systems for Banks and Service Providers	329,862
Rwanda	117	Developing a Microfinance Credit Information Bureau	221,061
Rwanda	447	Advice on Financial Sector Development Plan	657,138
Rwanda	450	Strengthening Supervisory Capacity of the Insurance Commission	204,530
Rwanda	7064	Financial Sector Development Program II	407,856
Rwanda	10018	Regional Crisis-Preparedness Workshop	81,231
Rwanda	10071	Implementing Risk-Based On-site Inspection for the Insurance Sector	181,425
Rwanda	10118	Bank Supervision Capacity-Building Assistance to the National Bank of Rwanda	98,310
Rwanda	10187	Financial Sector Development Plan (FSDP) 2011	437,000
Rwanda	10190	Supervision of Savings and Credit Cooperatives (SACCOs)	247,775
Rwanda	10233	Bank Supervision Capacity-Building Assistance to the National Bank of Rwanda - Phase II	247,696
Seychelles	9023	Review of Publically Owned Financial Institutions	149,348
Seychelles	10040	Strengthening the Insurance Regulatory Framework	249,559
Seychelles	10254	Housing Finance	202,000
Sierra Leone	15	Long-Term Capital Market Development	32,358
Sierra Leone	101	Implementation of Central Bank Book Entry System	89,763
Sierra Leone	189	Supervision of NBFIs: Assessment and Capacity Building	147,990
Sierra Leone	328	Implementation of Capital Market Development Plan	360,595
Sierra Leone	8019	Post-FSAP Strategic Roadmap	45,742
Sierra Leone	8045	Financial Sector Development Plan	168,843
Sierra Leone	10067	Strengthening Internal Audit at the Bank of Sierra Leone	115,700
South Africa	76	Accounting and Auditing Legislation	114,391
South Africa	246	Integration of Financial Regulations	18,425
South Africa	9006	Finalizing Microinsurance Regulatory Framework	93,200
South Africa	10053	Developing and Strengthening Contingency Planning	179,300
Sudan	389	Banking Sector Regulation and Supervision	260,296
Sudan	583	Access to Finance for Farmers in the Gezira Region	97,866
Swaziland	66	Assessment and Strategy Development for NBFi Supervision	124,255
Swaziland	161	Improving Access to the Financial Sector	126,103
Swaziland	215	Implementation of Central Bank Book Entry System	63,101

Country/ region	Project #	Project title	Commitments (US\$)
Swaziland	311	Review of Draft Bill for the Establishment of the Financial Services Regulatory Authority	6,000
Swaziland	10103	Supervision of Nonbank Deposit-Taking Financial Institutions	227,356
Swaziland	10260	Strengthening Supervision of Deposit-Taking Savings and Credit Cooperatives	216,169
Tanzania	364	Development of FSAP Follow-up Strategy Plan	27,099
Tanzania	458	Capital Markets and Securities Authority: Development of Operational Strategy and Implementation Plan	137,266
Tanzania	459	Action Plan for Developing Mortgage Finance Markets	197,555
Tanzania	572	Updating Accounting and Auditing Legislation and Enforcement Capacity	412,883
Tanzania	10063	Legal, Regulatory and Supervisory Framework for Islamic Banking	289,358
Tanzania	10064	Legal and Regulatory, Framework for Mergers and Acquisitions	144,800
Tanzania	10065	Development of Supervisory Framework for Finance Leasing Operations	241,400
Tanzania	10066	Development of Regulatory and Supervisory Framework	155,200
Togo	10161	Financial Sector Development Strategy	293,110
Uganda	67	Support for the Implementation of Collective Investment Schemes Legislation	72,550
Uganda	344	Advise on Establishing a Consolidated Supervisor for NBFIs	80,563
Uganda	409	Strategic Options for Postbank	115,960
Uganda	669	Non-Life Insurance Technical Reserving Pilot	124,814
Uganda	7010	Expanding Access to Housing Finance	246,257
Uganda	10086	Crisis Preparedness	310,500
Uganda	10234	Strengthening Bank Regulation	334,494
Zambia	120	Financial Sector Development Plan	34,150
Zambia	319	Pensions and Insurance Supervisory Strengthening	87,607
Zambia	345	Regulatory Implications of Establishing a Credit Reference Bureau	92,117
Zambia	358	Institute of Bankers Training Strategy	48,697
Zambia	378	Development of Securities Exchange Commission Capacity-Building Action Plan	185,370
Zambia	9004	Strengthening Contingency Planning	161,485
Zambia	9032	Strengthening Contingency Planning	45,000
Zambia	10084	Risk-Based Supervision	376,300
Zambia	10107	Regulatory and Supervisory Framework for Microinsurance and Insurance Intermediaries	314,700
Zimbabwe	10041	Stress Testing	153,680
Zimbabwe	10077	Development of a Securities Regulatory Framework	189,700
Zimbabwe	10130	Strengthening Accounting and Auditing Oversight at PAAB	270,350
REGIONAL PROJECTS	16	West African Monetary Institute (WAMI): Banking Supervision Study	123,632
	25	Eastern and Southern Africa: Regional Bank Supervisors Leadership Training	108,362
	29	CEMAC Region: Development of Long-Term Finance for Debt Markets	222,800
	60	SADC Development Finance Resource Centre: Needs Analysis and Skills Audit for Development Finance Institutions	77,500
	84	ESAAMLG: Training Evaluators in AML/CFT Assessment	61,183
	148	Strengthening Payment Systems in Botswana, Sierra Leone, Swaziland	183,520
	200	ESAAMLG: AML/CFT Strategy Development for Member Countries	122,365
	210	WAMI: Externally Assisted Self-Assessment of Basel Core Principles	107,777
	228	Preparation of Standards and Guidelines for Development Finance Institutions in Africa	174,346

Country/ region	Project #	Project title	Commitments (US\$)
REGIONAL PROJECTS (cont.)	254	Capacity Building for East African Collective Investment Schemes Regulators	5,619
	273	Botswana, Swaziland: Scoping Mission for NBFIs	18,474
	291	Regional Training Seminar for Insurance Supervision	36,296
	315	Southern African Customs Union (SACU): Regional Workshop on Tiered Banking Regulations	11,129
	341	Strengthening AML/CFT in Portuguese-Speaking Countries	31,034
	363	West Africa: Capacity Building in Banking Supervision	61,675
	377	Africa Trade Insurance Agency: Development of Credit Risk Insurance Services	70,400
	386	Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA): Regional Risk-based Supervision Seminar	29,542
	406	Finscope Africa: Technical Assistance for Strategy Development	74,994
	414	MEFMI Workshop on Consolidated Supervision	38,105
	415	SADC and East Africa: Training Program for NBFi Regulators	198,331
	421	EASRA: Advice on Achieving IOSCO Multilateral Memorandum of Understanding	118,936
	433	CEMAC: Pre-FSAP Microfinance Sector Assessment	62,885
	436	CEMAC: Housing Finance Assessment	65,245
	437	SADC and East Africa: Training Program for NBFi Regulators	19,325
	469	SADC: NBFi Regulators' Capacity-Building Program	1,756,363
	569	Credit Reporting and Financial Information Infrastructure Program	253,087
	7005	Pilot Implementation of Association of African Development Finance Institutions (AADFI) Prudential Standards and Guidelines	158,436
	7043	East Africa: Regional IOSCO Principles Assessment	104,419
	7090	Development and Implementation of Risk-Management Framework	190,650
	7093	Financial Sector Strengthening Through Monetary and Foreign Exchange Policy Training	124,300
	8007	Strengthening Payment Systems	328,152
	8023	Advice on Macroeconomic Management and Financial Sector Issues	79,100
8031	CEMAC Conference 2008	36,160	
8103	Financial Stability Assessment in Tanzania and Uganda	538,558	
8127	SADC Region Crisis-Preparedness Workshop	53,602	
8142	Strengthening Payment Systems Phase II	373,808	
Total for region			35,564,177
EAST ASIA AND PACIFIC			
Cambodia	10113	Crisis Preparedness	349,604
Cambodia	10114	Improving Accounting and Audit Practice	235,730
Cambodia	10138	Comprehensive Review and Strengthening of Legal Framework Surrounding the Financial Sector	304,030
China	162	Regulation and Supervision of Corporate Pensions	600,245
China	178	Strengthening Regulation and Supervision of Securities Firms	308,653
China	191	Amendments to Securities Law	335,874
China	216	Regulation of the Distribution of Securities Investment Funds	256,216
China	10131	Promoting Access to Finance Through Strengthening the Rural Credit Cooperatives System	248,000
Indonesia	78	Capital Market Supervisory Agency Capacity Building	121,871
Indonesia	224	Strategic Advice on Pension Reform	124,941
Indonesia	461	Strategic Option for Reforming Civil Service Pension and Savings Scheme (TASPEN)	411,184
Indonesia	7012	Life Insurance Sector Reform	349,104

Country/ region	Project #	Project title	Commitments (US\$)
Indonesia	8038	Expanding Access to Islamic Finance for SMEs	285,000
Lao PDR	42	Development of Rural and Microfinance Strategy and Legal Regulatory Framework	149,258
Lao PDR	124	Rural Microfinance Survey	152,321
Lao PDR	10119	Improving Efficiency of Payment Systems	239,850
Lao PDR	213	MFI Supervision Capacity Building	219,810
Mongolia	56	Development of Insurance Supervisory Framework for Livestock Insurance	320,416
Mongolia	342	Development of Index-Based Livestock Insurance Phase II	152,228
Papua New Guinea	584	Development of Risk-Based Capital and Assessment System for Non-Life Insurers	248,566
Papua New Guinea	8016	Enhancing Statistical Analysis and Public Reporting in the Insurance Sector	86,444
Papua New Guinea	10115	Implementing On-site Supervision	240,336
Papua New Guinea	10148	Development of Prudential Standards	173,516
Papua New Guinea	10191	Development of Crisis-Preparedness Framework	123,720
Philippines	20	Development and Implementation of Non-life Insurance Information System	145,001
Philippines	158	Banking Supervision Capacity Building	440,127
Philippines	7009	Creation of an Accounting Oversight Board	119,828
Philippines	9028	Improving Problem Bank Resolution	33,900
Philippines	10046	Developing Microinsurance Reporting Framework	284,243
Philippines	10094	Crisis Preparedness	325,000
Philippines	10144	Enhancement of Insurance Reserves Targeting Framework and Amendment to PDIC Charter	213,900
Thailand	209	Assisting Self-Assessment of Selected Financial Sector Core Principles	132,985
Thailand	7058	Enhancing Insurance Regulation and Supervision	315,000
Thailand	8119	Enhancing Securities Exchange Commission Audit Capacity	275,000
Timor Leste	397	Strategy of Establishing a Credit Registry	115,806
Tonga	8104	Improving Central Bank's Supervision Capacity	202,722
Vanuatu	467	Strengthening Regulation and Supervision of Company and Trust Service Providers	74,623
Vietnam	310	Establishing a National Association for People's Credit Funds	344,786
Vietnam	332	Regulation and Guidance for Management of Investment Funds	526,306
Vietnam	603	Feasibility Study for the Establishment of a Central Securities Depository	200,000
Vietnam	627	Assistance with International Standards for Supervising the Insurance Sector	248,917
Vietnam	7040	Enhancing Deposit Insurance	43,578
Vietnam	8033	Strengthening Central Bank Credit Information Centre	247,000
REGIONAL PROJECTS	85	Training Evaluators in AML/CFT Assessment	86,382
	339	Workshop on Self-Assessment of Selected IAIS Core Principles	73,745
	8105	Strengthening Liquidity Management Systems in Papua New Guinea and Solomon Islands	202,722
Total for region			10,688,488
EUROPE AND CENTRAL ASIA			
Albania	647	Accounting and Audit Country Plan	106,887
Albania	7070	Development of Effective Insurance Supervision	295,361
Albania	8090	Simulation Exercise	231,741
Albania	10051	Liberalizing MTPL Insurance Market	327,700

Country/ region	Project #	Project title	Commitments (US\$)
Albania	10177	Strengthening Deposit Insurance and Resolution Frameworks	119,028
Armenia	40	Insurance Supervisory Restructuring and Strengthening	74,480
Armenia	226	Assistance with Insurance Regulation Drafting and Capacity Building	212,202
Armenia	426	Preliminary Advice on Establishment of Unified Regulator	24,663
Armenia	432	Establishment of Unified Regulator	34,544
Armenia	611	Development of Insurance Sector	65,149
Armenia	9054	Regional Crisis-Preparedness Workshop	53,681
Armenia	10189	Strengthening Financial Consumer Protection	254,908
Azerbaijan	337	Establishing Nonbank Corporate Bonds Market	588,173
Azerbaijan	387	Advice on Insurance Law and regulations	228,071
Azerbaijan	9058	Capital Market Development Plan	118,743
Azerbaijan	9061	Systemic Risk Response Framework	201,243
Azerbaijan	10205	Operationalizing Systemic Risk Response Framework	89,096
Belarus	9027	Post-FSAP Support for Securities Market Development	244,900
Belarus	10165	Strengthening Banking Supervision	238,362
Bosnia & Herzegovina	7061	Advisory Services to Stock Exchange	238,187
Bosnia & Herzegovina	10121	Strengthening Consumer Protection in Banking and Microfinance Sectors	239,950
Bulgaria	208	Strengthening of Supervisory Capacity of the Financial Services Commission	337,807
Bulgaria	223	Feasibility Study for Financial Derivatives Market	35,198
Georgia	31	Debt Securities Market Development	52,127
Georgia	41	Insurance Supervisory Strengthening	193,336
Georgia	390	T-Bills Process and Municipal Bond Issuance	282,284
Georgia	631	Development of Country Strategy for ROSC	46,347
Georgia	8084	Strengthening Financial Sector Supervision	70,037
Georgia	10166	Modernizing Payment Systems Regulatory Framework	210,870
Kazakhstan	183	Insurance Sector Strategic Advice and Regulatory Assistance	161,803
Kazakhstan	324	Technical Assistance for Public Sector Accounting Standards	72,712
Kazakhstan	8063	Improving Banking Supervision (Stress Testing)	192,422
Kazakhstan	8135	Strengthening Catastrophe Risk Transfer Supervision	246,600
Kosovo	187	Strengthening Insurance Supervision	121,499
Kosovo	264	Strengthening Third-Party Liability Motor Insurance	38,084
Kosovo	441	Strengthening Banking Supervision	285,560
Kosovo	8077	Technical Advisory Service to CBK	498,300
Kosovo	9003	Technical Assistance Service to Strengthen Insurance Regulation and Supervision	238,200
Kosovo	10070	Financial Stability and Supervision - Central Bank of Kosovo	320,165
Kyrgyz Republic	54	Advise on the Privatization of Kairat Bank	262,578
Kyrgyz Republic	186	Assistance for Drafting Deposit Insurance Legislation	22,232
Kyrgyz Republic	334	Assistance on the Privatization of Kyrgyz Agricultural Finance Corporation	264,556
Kyrgyz Republic	383	Medium-Term Strategy for Microfinance Development	136,714
Kyrgyz Republic	642	Modernization of the Postal System	170,000

Country/ region	Project #	Project title	Commitments (US\$)
Kyrgyz Republic	7062	Strengthening Legal, Regulatory, Supervisory and Markets Infrastructure	450,100
Kyrgyz Republic	8106	Pre-Privatization Advice for Ayl Bank	63,395
Kyrgyz Republic	8108	Retail Payments Systems	135,148
Kyrgyz Republic	9002	Deposit Protection Agency Capacity Building	252,000
Kyrgyz Republic	9026	Corporate Financial Reporting	209,600
Kyrgyz Republic	10059	Strengthening Bank Supervision and Resolution	124,755
Lithuania	10	Insurance Supervision Strengthening	177,275
Lithuania	24	Accounting and Auditing Reform	126,008
Lithuania	262	Effective Application of Audit Standards	74,099
Macedonia, FYR	96	Reform of Compulsory Motor Vehicle Insurance System	294,176
Macedonia, FYR	10024	Liberalizing MTPL Insurance Market	279,778
Macedonia, FYR	10243	Crisis Preparedness	108,309
Moldova	43	Development of Money Market Instruments	73,184
Moldova	252	Strengthening Insurance Supervision	180,952
Moldova	309	Strengthening the Accounting Auditing and Financial Reporting Framework	256,406
Moldova	312	Corporate Governance Reform	270,148
Moldova	318	Development of Money Market Instruments Phase II	243,058
Moldova	8009	Capacity Building in Monetary and Policy Analysis	294,252
Moldova	10096	Forecasting and Policy Analysis - Central Bank of Moldova	229,390
Moldova	10112	Payment System Modernization	237,000
Moldova	10151	Improving Access to Credit through Secured Transactions Reform	280,700
Montenegro	7096	Country Action Plan for Accounting and Auditing	146,461
Montenegro	8020	Regulatory and Analytical Tools for Assessment of Banks' Risk Profiles	228,000
Poland	185	Access to Long-Term Finance for Rural Communes	275,367
Romania	123	Strengthening AML Regulations in the Securities Market	51,504
Russian Federation	205	Capacity Building to Support the Federal Regulator of Pension Funds	381,343
Russian Federation	10230	Strengthening Bank Regulation and Supervision	264,408
Slovak Republic	128	Strengthening Corporate Governance of Listed Companies	91,963
Slovak Republic	142	Technical Assistance to the Financial Markets Authority	93,106
Slovak Republic	150	Strengthening Bank Corporate Governance	65,450
Tajikistan	7080	Post-FSAP Legal and Regulatory Reform and Strategy Development	576,486
Tajikistan	10074	Payment Systems Modernization	249,095
Tajikistan	10134	Strengthening Bank Regulation and Supervision	390,800
Tajikistan	10220	Legal Framework for Secured Transaction	115,550
Turkey	237	Secondary Mortgage Market Development	382,492

Country/ region	Project #	Project title	Commitments (US\$)
Turkey	10269	Strengthening Solvency Supervision	353,246
Ukraine	5	Assistance to the Nonbank Financial Institution Regulator	133,193
Uzbekistan	8136	Strengthening Insurance Supervision	186,800
Uzbekistan	10196	Enhancing Financial Reporting and Auditing in the Banking Sector	253,294
Uzbekistan	10266	Strengthening Banking Regulation and Supervision	241,500
REGIONAL PROJECTS	7	AML/CFT Workshop	100,067
	34	CIS-7: Financial Sector Workshop	22,674
Total for region			17,209,032
LATIN AMERICA AND CARIBBEAN			
Belize	333	Central Bank of Belize Organizational Review	175,539
Belize	10152	Payment Systems	108,415
Brazil	7017	Introduction of Risk-Based Supervision of Closed Pension	360,000
Brazil	10157	Introduction of Covered Bonds	224,690
Chile	256	Roadmap for Strengthening Solvency Control in the Insurance Industry	138,195
Chile	257	Strengthening Regulation of Pension Funds	180,292
Chile	276	Implementing Risk-Based Supervision in the Securities Industry	466,519
Chile	329	Adopting International Financial Reporting Standards for Listed Companies	195,973
Chile	7016	Implementation of Risk-Based Supervision Model for Insurance Industry	228,082
Chile	7025	Risk-Based Regulation of Pension Funds	211,762
Colombia	52	Developing the Supervisory and Regulatory Framework for Collective Investment Schemes	216,620
Colombia	109	Terrorism Loss Insurance Finance	195,501
Colombia	182	Money Market Development	268,794
Colombia	233	Development of Housing Microfinance	394,587
Colombia	349	Enhancement of the Capital Market Self-Regulatory System	136,248
Colombia	7008	Supervision of Financial Conglomerates	208,273
Colombia	8088	Strengthening Financial Sector Legal and Regulatory Framework	190,485
Colombia	10180	Monitoring and Disclosure of Financial Services	46,800
Colombia	74	Mortgage Finance Capacity Building	115,835
Costa Rica	248	Advice on Achieving Compliance with IOSCO MMoU	72,466
Costa Rica	340	Strengthening Public Debt Management and Developing Domestic Debt Market	215,383
Costa Rica	9048	Financial Crisis-Simulation Program	169,900
Costa Rica	10273	Financial Crisis-Simulation Program	124,845
Costa Rica	10275	Development of Capital Markets	149,800
Dominican Republic	360	Feasibility Study for Capital Market Broadening	18,845
El Salvador	335	Strengthening Public Financial Institutions	136,124
El Salvador	336	Strengthening Framework for Consolidated Supervision of Financial Conglomerates	182,918
El Salvador	384	Implementation of IOSCO Self-Assessment	46,485
El Salvador	7099	Improving Corporate Financial Reporting through Implementation of International Financial Reporting Standards	246,310
El Salvador	10078	Financial Crisis-Preparedness Program	123,050
El Salvador	10172	Organizational Structure of the Integrated Financial Services Superintendency	68,200
El Salvador	10200	Strengthening Safety Nets	93,620
Guatemala	8109	Financial Crisis Preparedness and Financial Projection	62,852
Guatemala	10150	Institutional and Legal Framework for Crisis Management	144,160

Country/ region	Project #	Project title	Commitments (US\$)
Guyana	10195	Supervision of Nonbank Financial Institutions	198,015
Haiti	8050	Strengthening Accounting and Auditing Practices	275,000
Haiti	10227	Strengthening Insurance Regulation and Supervision	339,040
Honduras	7100	A Roadmap for Strengthening Accounting and Auditing	478,200
Honduras	10236	Strengthening Credit Reporting	86,600
Mexico	338	Developing Framework for the Issuance of Catastrophe Bonds	186,901
Mexico	9051	Financial Crisis-Preparedness Program	122,000
Nicaragua	435	Design of Management Information Systems for Deposit Insurance Agency	25,750
Nicaragua	10136	Consumer Protection	217,370
Paraguay	10188	Crisis-Simulation Exercise	194,060
Peru	92	Improving Risk-Based Management in Collective Investment Schemes	171,783
Peru	289	Improving SME Access to Capital Markets	567,569
Peru	313	Housing Finance Development	487,103
Peru	7088	Strengthening Private Sector Accounting and Auditing	199,463
Peru	8086	Financial Crisis-Simulation Program	200,280
Uruguay	7023	Housing Finance Policy Reform	246,033
Uruguay	9030	Regional Crisis-Preparedness Workshop	67,467
REGIONAL PROJECTS	1	GAFISUD: AML/CFT Workshop	34,266
	18	East Caribbean Securities Exchange: Custodian Recruitment to Support Cross Listings	79,011
	39	East Caribbean Central Bank: Improving Payment Systems	172,773
	87	Strengthening Financial Sector Integrity in Central America	46,213
	88	East Caribbean: Strengthening Credit Union Regulation and Supervision	68,551
	194	AML/CFT Evaluator Training for Spanish Speaking Countries	44,899
	197	Regional Insurance Supervisors Leadership Training Program	79,360
	198	Strengthening Credit Reporting Systems	499,151
	259	AML/CFT Workshop for Caribbean Regulators of Company and Trust Service Providers	57,284
	260	AML/CFT Workshop for Caribbean Insurance Regulators/Supervisors	54,230
	261	AML/CFT Workshop for Regulators of Casinos and Internet Gaming Entities	54,405
	269	GAFISUD AML/CFT Evaluator Training	55,389
	288	East Caribbean Securities Exchange: Development of Unified Rulebook	61,512
	466	Securities Supervisors Leadership Training	50,135
	7037	CEMLA: Strengthening Credit Reporting Systems	270,073
	9052	Financial Crisis-Simulation Program	104,012
9062	Harmonizing Insurance Regulation and Supervision	195,300	
Total for region			11,906,769
MIDDLE EAST AND NORTH AFRICA			
Algeria	9005	Financial Crisis-Simulation Program	143,706
Egypt, Arab Rep. of	91	Strengthening Credit Reporting System	166,118
Egypt, Arab Rep. of	125	Project Scoping Banking Sector	20,085
Egypt, Arab Rep. of	125-2	Strengthening Banking Supervision	98,375
Egypt, Arab Rep. of	217	Strengthening Payments Systems	246,653

Country/ region	Project #	Project title	Commitments (US\$)
Egypt, Arab Rep. of	343	Credit Reporting System Strengthening	146,259
Egypt, Arab Rep. of	380	Upgrading Motor Third-Party Liability Insurance Capacity	118,487
Egypt, Arab Rep. of	10240	Financial Projection Model	178,232
Jordan	11	Actuarial Supervision Capacity Building of the Insurance Commission	199,743
Jordan	297	Development of a Supervisory Ladder and Supervisory Strengthening	120,125
Jordan	10202	Strengthening Solvency Supervision	402,010
Lebanon	126	Review and Advice on a New Insurance Law	91,892
Lebanon	204	Capital Markets Supervisory and Regulatory Authority Strengthening	231,444
Morocco	73	Assistance to Support Pension Reform	152,580
Morocco	8087	Financial Crisis-Simulation Program	162,962
Morocco	9016	Strengthening Crisis-Preparedness Policies and Processes	161,250
Morocco	10007	Introduction of Covered Bonds	180,870
Morocco	10026	Supporting the Implementation of the Law on Catastrophe Insurance	249,650
Morocco	10116	Strengthening Macro-Prudential Analysis and Stress Testing	182,924
Morocco	10085	Strategy and Instruments to Establish Reliable Interest Rate Benchmarks	422,499
Syria	7052	Development of Damascus Securities Exchange	212,652
Syria	9013	Banking Supervision	107,652
West Bank and Gaza	8065	Private Pension Regulatory Capacity Building	248,000
West Bank and Gaza	8068	Development of Housing Finance	230,000
West Bank and Gaza	8128	Capital Market Development	118,436
West Bank and Gaza	8140	Establishment of a Deposit Insurance Scheme	30,330
West Bank and Gaza	10193	Building National Payments System	124,173
West Bank and Gaza	10186	Capital Market Development Phase II	195,559
REGIONAL PROJECTS	359	Regional Training Seminar for Insurance Supervision	63,072
Total for region			5,005,737
SOUTH ASIA			
Bangladesh	53	Insurance Law Reform	53,035
Bangladesh	111	Reducing Interest Rate Spreads	34,719
Bangladesh	244	Capacity Building for Capital Market Intermediaries	18,317
Bangladesh	8114	Developing Capital Market Development Plan	124,000
Bangladesh	9017	Capacity Building for Bangladesh Bank	305,100
Bangladesh	10060	Contingency Planning	145,000
Bangladesh	10252	Financial Project Model	243,198
Bangladesh	10201	Strengthening Internal Audit	118,870
Bhutan	10075	Developing and Strengthening the Regulatory Framework of Pension, Provident Fund, and Other Such Schemes	123,000
India	33	Insurance Tariff Advisory Committee: Capacity Building for Transition from Uniform Tariff System to Risk-Based Approach	243,978
India	424	Expanding Housing Finance Market	598,031

Country/ region	Project #	Project title	Commitments (US\$)
India	579	Development of Crop Insurance	531,953
India	7038	Expanding Low-Income Housing Finance	483,000
Maldives	8004	Insurance Regulation and Supervisory Advancement	230,000
Maldives	8116	Financial Sector Review	260,000
Maldives	9033	Strengthening Supervision of Pensions	270,000
Maldives	10214	Foreign Exchange Operations Framework	98,310
Nepal	9020	Capital Market Development Plan	147,500
Nepal	10016	Contingency Planning	92,553
Nepal	10199	Crisis Preparedness	124,778
Nepal	10245	Problem Bank Resolution Operational Manual and Toolkit	123,675
Pakistan	98	Bank Supervision Risk Assessment Model	224,973
Pakistan	98A	Project Design for Assistance to the State Bank of Pakistan	9,200
Pakistan	100	Development of Banking Sector Uniform Chart of Accounts	234,619
Pakistan	10025	Microinsurance Regulation and Supervision	234,000
Sri Lanka	69	Training for the Foreign Exchange Industry	29,898
Sri Lanka	81	Regulating Securities Markets Intermediaries	77,503
Sri Lanka	110	Strengthening Actuarial Supervision Capacity	36,152
Sri Lanka	166	Securities Exchange Commission: Supervision Capacity Strengthening	226,337
Sri Lanka	220	Assistance in Drafting the Securitization Act	195,388
Sri Lanka	229	Regulation of Private Pension Funds	112,623
Sri Lanka	8012	Strengthening Accounting and Payment Systems	170,929
Sri Lanka	8082	Risk-Sensitive Capital Rule for Insurance Supervision	245,700
Sri Lanka	10158	Amendment to the SEC Act	242,400
REGIONAL PROJECTS	49	South Asia Federation of Exchanges (SAFE): Strengthening Stock Exchange Listing Regulations in Member Countries	143,348
	303	SAFE: Developing Model Listing Regulations	68,355
	320	Professional Risk Managers' International Association: Development of Academies in India and Indonesia	102,824
	413	South and East Asia: Workshop for Emerging Financial Intelligence Units	57,746
	610	AITRI Workshop on IAIS Insurance Core Principles	134,673
	7082	Strengthening Payment, Remittances and Securities Settlement Systems	404,471
Total for region			7,320,156
GLOBAL PROJECTS			
	211	Islamic Financial Services Board (IFSB): Strengthening Corporate Governance Standards in Islamic Financial Services Institutions	128,775
	286	Developing Guidelines for the Implementation of FATF Recommendations	655,374
	321	Developmental Implications of International Taxation and AML/CFT Initiatives	231,850
	347	Workshop for International and Offshore Financial Centers' Supervisors	38,546
	563	Technical Reserving for Non-Life Insurers	27,950
Total for region			1,082,495
GRAND TOTAL			88,776,854

ANNEX IV. APPLYING FOR FIRST FUNDING

SECTORS AND THEMATIC AREAS ELIGIBLE FOR FIRST ASSISTANCE

SECTORS

Banking

Banks
Deposit protection
Payment system
Islamic banking

Insurance

Insurance
Reinsurance and risk pools
Islamic insurance
Microinsurance
(see Access to Finance)

Capital Markets

Capital markets
Debt securities
Commodities
Islamic capital markets

Other NBFIs

Housing finance
Cooperatives
Foreign exchange bureaus
Other nonbanks

Pensions

Pensions
Collective investment schemes

Financial Architecture

Supervisory structure
Accounting and auditing
Credit information bureaus
Collateral registries

Crisis Preparedness

Crisis simulation (country)
Contingency planning
Strengthening crisis-preparedness arrangements
Regional crisis preparedness

Access To Finance

Microfinance
Microinsurance
Leasing
SME finance
Consumer protection and financial literacy

Multisector/Others

FSDS
AML/CFT
Corporate governance
Insolvency regime
Financial system reform and policy

THEMATIC AREAS

- Legal/regulatory advice
- Supervision capacity
- Product development
- Strategic advice (in particular, financial sector development plans to follow up on FSAP findings)
- Others (including workshops, training, study tours, and technical assistance design)

PROJECT APPLICATION AND SELECTION CRITERIA

HOW TO APPLY FOR FIRST FUNDING







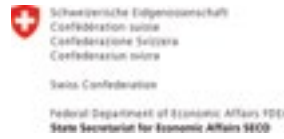


FIRST reviews the initial inquiry (available on the FIRST website) to determine whether a proposal is generally eligible for funding. If it is eligible, FIRST asks the applicant to develop and submit a project proposal.

FIRST gives preference to projects that show strong client ownership. To qualify for funding, project proposals should be

- Submitted directly by clients or beneficiaries in countries or regions, although staff from the Bank, the IMF, and other multilateral agencies or donors may assist clients in preparing proposals
- Accompanied by a formal letter of support from a deputy minister, deputy central bank governor, permanent secretary, head of an independent supervisory body, chief executive officer of a public agency, or other official of comparable rank.

To learn more and apply, please visit firstinitiative.org.

FIRST DONORS AND PARTNERS

	Canadian International Development Agency	www.acdi-cida.gc.ca
	Department for International Development of the United Kingdom	www.dfid.gov.uk
	German Federal Ministry of Economic Cooperation and Development	www.bmz.de
	International Monetary Fund	www.imf.org
	Ministry of Finance of the Grand Duchy of Luxembourg	www.gouvernement.lu
	Ministry of Foreign Affairs of The Netherlands	www.minbuza.nl
	State Secretariat for Economic Affairs of Switzerland	www.seco.admin.ch
	Swedish International Development Cooperation Agency	www.sida.se
	The World Bank	www.worldbank.org

PROGRAM MANAGEMENT UNIT

Jorge Patiño Program Manager	Loretta Foran Project Officer	Tim de Vaan Project Officer	Esme Abedin Operations Analyst
Pramita Moni Sengupta Project Officer	Sebnem Sener Project Officer	Patricia Caraballo Project Officer	Baaqia Holloway Program Assistant
Roman Didenko Project Officer	John Gutin Project Officer	Dian Marner Resource Management Analyst	Olha Krushelnytska Knowledge Management Consultant

LOAN REPAYMENT

Date	Rs	Exp	Date	Rs
2/18/17	20	1860	02/18/17	1080
3/18/17	20	1180	03/18/17	1120
4/18/17	20	1200	04/18/17	1120
5/18/17	20	1220	05/18/17	1140
6/18/17	20	1240	06/18/17	1160
7/18/17	20	1260	07/18/17	1180
8/18/17	20	1280	08/18/17	1220
9/18/17	40	1320	09/18/17	1240
10/18/17	20	1340	10/18/17	1260
11/18/17	20	1360	11/18/17	1280
12/19/17	20	1380	12/19/17	1300
1/19/18	20	1400	01/19/18	1320
2/19/18	20	1420	02/19/18	1340
3/19/18	20	1440	03/19/18	1360
4/19/18	20	1460	04/19/18	1380
5/19/18	20	1480	05/19/18	1400
6/19/18	20	1500	06/19/18	1420
7/19/18	20	1520	07/19/18	1440
8/19/18	20	1540	08/19/18	1460
9/19/18	20	1560	09/19/18	1480
10/19/18	20	1580	10/19/18	1500
11/19/18	20	1600	11/19/18	1520
12/19/18	20	1620	12/19/18	1540
1/20/19	20	1640	01/20/19	1560
2/20/19	20	1660	02/20/19	1580
3/20/19	20	1680	03/20/19	1600
4/20/19	20	1700	04/20/19	1620
5/20/19	20	1720	05/20/19	1640
6/20/19	20	1740	06/20/19	1660
7/20/19	20	1760	07/20/19	1680
8/20/19	20	1780	08/20/19	1700
9/20/19	20	1800	09/20/19	1720
10/20/19	20	1820	10/20/19	1740
11/20/19	20	1840	11/20/19	1760
12/20/19	20	1860	12/20/19	1780

FINANCIAL SECTOR REFORM
AND STRENGTHENING INITIATIVE
www.firstinitiative.org

FIRST Initiative
1818 H Street, N.W.
MSN I 9-904
Washington, DC 20433
United States
Tel: 1 (202) 473 2765
Fax: 1 (202) 473 0876