



**FINANCIAL SECTOR REFORM
AND STRENGTHENING INITIATIVE**
A N N U A L R E P O R T 2 0 0 7

MISSION STATEMENT

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



FIRST Initiative ANNUAL REPORT 2007

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ABOUT FIRST

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

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

OBJECTIVES

FIRST's main objective is to deliver flexible, top-quality technical assistance related to financial sector development. In its five years of operation, FIRST has come to be recognized by international development organizations and associations, clients, and donors as an important source of financing for such assistance. It has established a distinct role in financial sector development as a niche provider of funds for small short- and medium-term projects.

One of FIRST's objectives—and one of the reasons for its creation—is to fund technical assistance to enable governments to implement assessments made under the joint World Bank–IMF Financial Sector Assessment Program and to follow up on Reports on the Observance of Standards and Codes issued by the World Bank and the IMF. FIRST has had good success in this area. Many of its projects have helped countries tighten their adherence to international standards and codes for the financial sector. They also have allowed the World Bank and the IMF to strengthen their collaboration in the delivery of coordinated financial sector technical assistance.

ACTIVITIES

FIRST's primary areas of activity are:

- Advisory services to strengthen supervisory institutions
- Financial sector reform strategy and policy advice
- Review of legislation and regulations
- Capacity building

The technical assistance that FIRST funds is provided by private sector experts and members of the staffs of the World Bank and the IMF.

HOW TO APPLY

Eligibility: Successful applications for FIRST's technical assistance must meet the organization's project-selection criteria and be consistent with the objective of developing robust and diverse financial sectors in low- and middle-income countries.

Eligible applicants for FIRST funding are policy makers, regulatory bodies, government agencies, and, under certain circumstances, quasi-public institutions such as self-regulatory organizations and industry associations. The World Bank and the IMF may propose FIRST funds for regional or global projects where no other implementing entity exists. Beneficiaries of all forms of FIRST assistance must be low- or middle-income countries—that is, countries eligible for credits from the International Development Association or loans from the International Bank for Reconstruction and Development.

Application Process: Applicants should submit an initial project proposal of one or two pages to allow FIRST to determine whether the proposal is eligible for funding. If the proposal is deemed eligible, FIRST's Program Management Unit will ask the applicant to develop and submit a full project application.

FROM THE CHAIR OF THE GOVERNING COUNCIL

I am pleased to report continued success and new milestones for the FIRST Initiative. The past fiscal year (July 1, 2006–June 30, 2007) was particularly important for the organization. FIRST began a new phase of operations, simplified its governance structure, replenished its funding, and adopted a new Program Management Unit, housed within the World Bank.

FIRST began operations in April 2002 with a four-year mandate (Phase I). By the end of fiscal 2006, it had approved funding for 214 technical assistance projects in 64 developing and transition countries. An independent external evaluation commissioned by the Governing Council at the end of Phase I confirmed that FIRST had indeed established a vital niche in financial sector development and had become recognized as an important source of short-term technical assistance by donors, client country authorities, and international development agencies. The evaluation recommended that FIRST's operations continue in a second phase, but with a redefined business model and governance structure.

Thus fiscal 2007 was a year of restructuring and replenishment. The Initiative's donors pledged \$40 million in new funding through 2012. A new portfolio of projects was begun.

In October 2006, FIRST's donors decided to consolidate the organization's operational and fiduciary functions within a single unit housed at the World Bank, in accordance with the World Bank's trust fund procedures. Merging the organization's management unit, formerly located in London, with the coordination unit located in Washington was designed to make operations more effective and easier to manage. The transition took effect on March 1, 2007, with the constitution of a new Program Management Unit at the World Bank's headquarters.

The countdown to March 1, 2007 was marked by challenges, among them the preparation of a new charter and operational procedures, establishment of the World Bank trust fund, execution of new administrative agreements between FIRST and its donors, transfer of the 79 active Phase I projects to the new structure, and staffing of the new management unit. These tasks were accomplished, and the restructured FIRST opened its doors to project applications on March 1.

I would like to acknowledge the efforts of both the London- and Washington-based teams, whose dedication and hard work throughout Phase I ensured FIRST's successful branding and performance and who saw FIRST through a smooth transition. Finally, I wish a successful tenure to my successor, Jean-Luc Bernasconi of the State Secretariat for Economic Affairs of Switzerland, who replaces me as the new chair of the FIRST Governing Council. We are confident that FIRST will continue to make its unique contributions to financial sector growth and development.

William Kingsmill,

Chair of the Governing Council

Financial Sector Reform and Strengthening Initiative

FROM THE PROGRAM MANAGER

Financial sector development is vitally linked to growth and poverty reduction. Well-functioning financial systems channel funds to productive uses, just as the human heart pumps blood to the rest of the body. They are a crucial prerequisite and a facilitator of reforms in other sectors, including private sector development, infrastructure, housing, and social policies.

Furthermore, well-developed financial sectors are better able to avoid financial crises—and to minimize the damage of crises when they do arrive. As globalization intensifies, the financial sector in one country is increasingly affected by disturbances elsewhere, and losses can be devastating. Financial losses in the developing world to banking crises in the 1980s and 1990s is roughly equal to the sum total of the foreign aid that all developing countries have received since 1950, demonstrating the massive costs that economies incur from financial turmoil.

FIRST helps developing countries achieve their development goals, whether those goals are to arrest a crisis, jumpstart the economy, build an inclusive and transparent financial system, or fight corruption. FIRST is a specialized technical assistance facility that offers access to worldwide technical expertise and is the only multidonor program established to help implement the recommendations of the Financial Sector Assessment Programs (FSAP) and Reports on the Observance of Standards and Codes (ROSC) administered by the World Bank and IMF. FIRST works closely with the recipient institutions to prioritize technical assistance activities that are consistent with the recipient country plans for preparing for, conducting, or following up on FSAPs or ROSCs.

As noted in the message from the Chair of the Governing Council, FIRST has entered a new phase of operations. Going forward, FIRST will seek to strengthen the links between its technical assistance and reductions of poverty and income inequality by increasing its emphasis on achieving outcomes, especially market development outcomes, and filling gaps in domestic financial markets. In the next phase, FIRST will continue to give priority to supporting governments in lower-income countries in developing action plans geared toward these outcomes.

David Dellen,
Program Manager

Financial Sector Reform and Strengthening Initiative

OPERATIONS REVIEW

PROJECT COMMITMENTS AND DISBURSEMENTS

During fiscal 2007, FIRST completed Phase I of its operations and transitioned into Phase II. On March 1, 2007, the active project portfolio and management of FIRST were transferred to the World Bank as a World Bank-managed trust fund. FIRST continued its operations during the transition and accepted new applications, except in January and February.

At the end of June 2007, FIRST had approved a cumulative total of 245 technical assistance projects, representing total commitments of \$45.3 million. Thirty projects were approved during fiscal 2007, with commitments of \$7.6 million.

The relative slowdown compared to the previous year is due to organizational changes and efforts devoted to the completion of the transition from Phase I to Phase II, and the two months when FIRST was not processing new applications. Figure 1 shows the level of project commitments since 2003.

FIRST's donors contribute to two funds. The Low-Income Fund is allocated to projects carried out in countries that are eligible for credits from the International Development Association, whereas the Middle-Income Fund is dedicated to projects in countries eligible for loans from the International Bank for Reconstruction and Development. For regional projects benefitting countries in both categories, FIRST draws from both funds, classifying the transaction as a blend.

FIRST's growing focus on low-income countries, as illustrated in Figure 2, reflects the organization's strategic priorities and the smaller size of the Middle-Income Fund.

By the end of fiscal 2007, FIRST's cumulative disbursements stood at \$31 million. The ratio of commitments to disbursements was 68 percent, up 18 percent from the previous year, indicating FIRST's continued progress in processing disbursements. Sub-Saharan Africa is the region that has received the largest amount of FIRST funding over the years, with \$16.3 million in commitments and \$10.1 million in disbursements (Figure 3).

Figure 1. FIRST commitments by fiscal year, FY 2003–FY 2007

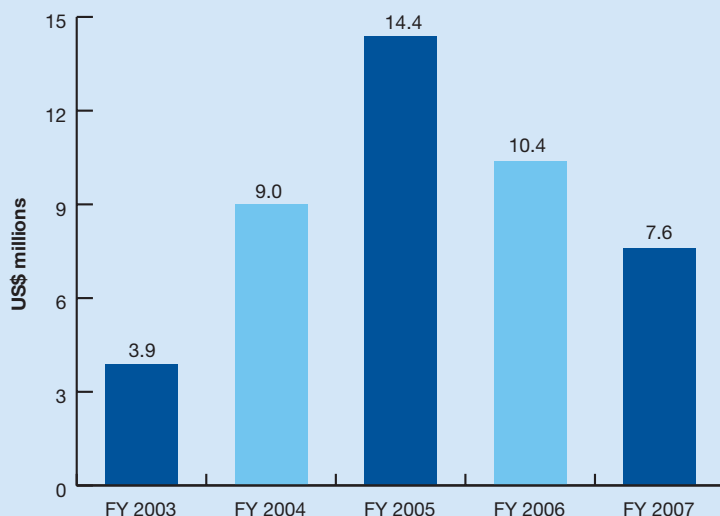


Figure 2. FIRST commitments by fund, FY 2003–FY 2007

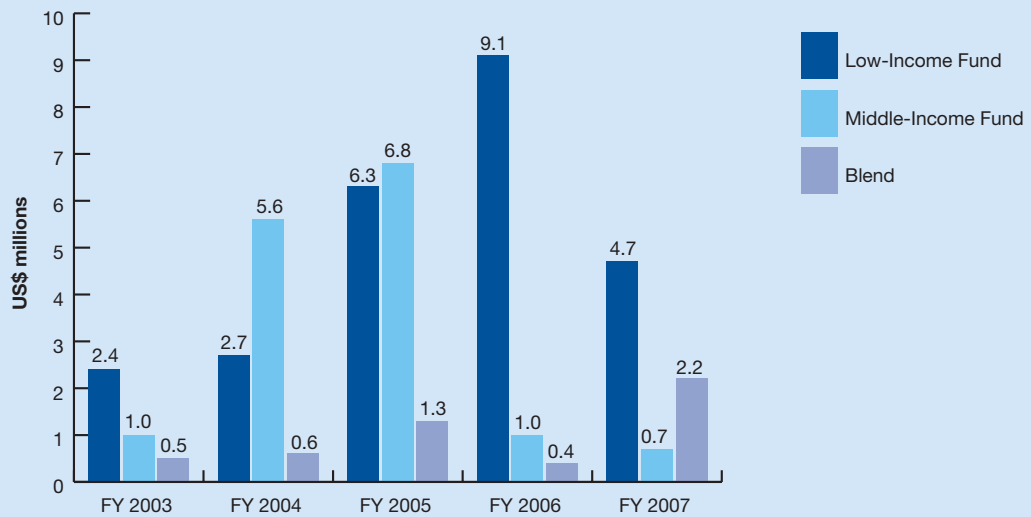
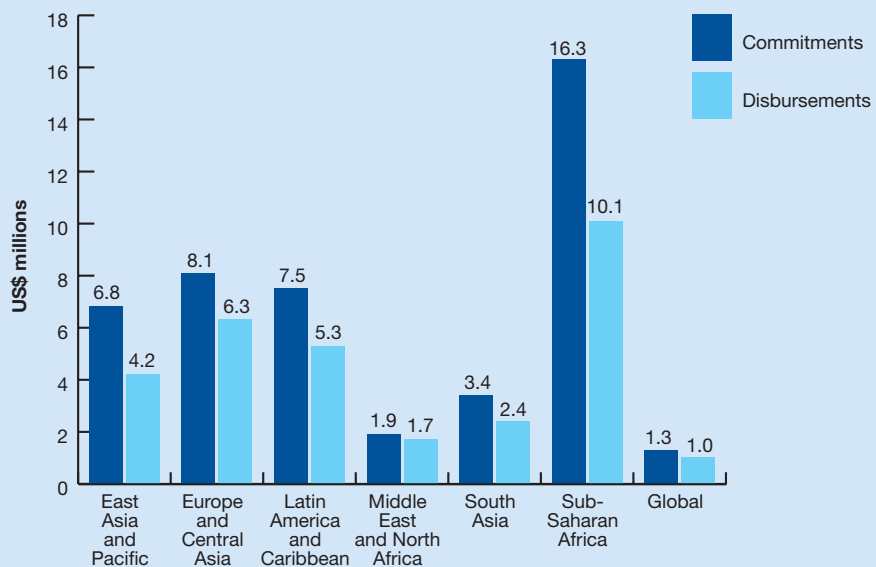


Figure 3. FIRST commitments and disbursements by region, FY 2003–FY 2007
(Cumulative to June 30, 2007)



REGIONAL FOCUS

As in the previous year, FIRST continued to focus on low-income countries. Of the 30 projects approved in fiscal 2007, 26 were in low-income countries, and two were regional projects involving both middle- and low-income countries.

FIRST concentrated on projects in Sub-Saharan Africa. In fact, with 12 projects valued at \$4.3 million, 57 percent of FIRST's fiscal 2007 commitments were made in Sub-Saharan Africa, bringing the region's overall share in cumulative project commitments up to 37 percent (Table 1 and Figure 4).

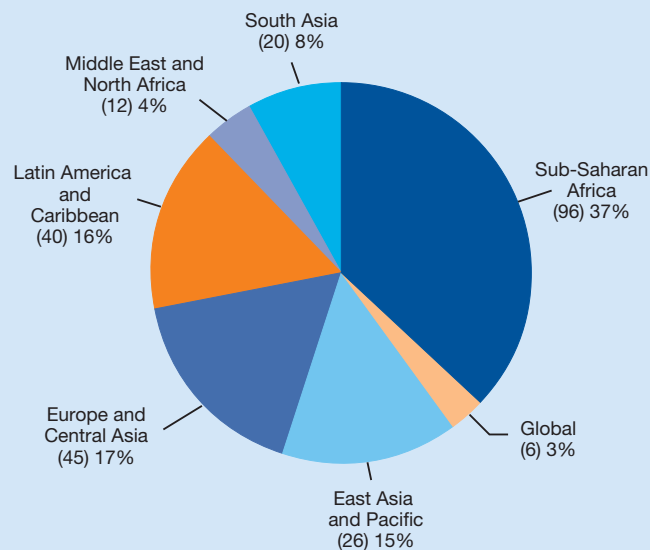
Even though the number of projects undertaken in Sub-Saharan Africa during the fiscal year was less than half of last year's number, the overall commitment amounts did not change substantially, because of the size of the projects committed in fiscal 2007.

East Asia and the Pacific also received substantial country-specific commitments as a result of close cooperation with the World Bank. Some of the countries that received the largest new commitments in fiscal 2007 were Vietnam, Papua New Guinea, Nigeria, and Madagascar.

TABLE 1. FIRST COMMITMENTS BY REGION, FY 2006, FY 2007, AND CUMULATIVELY (AS OF JUNE 30, 2007)

Region	FY 2006			FY 2007			Cumulative		
	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)
East Asia and Pacific	5	1,787	17	5	1,117	15	26	6,779	15
Europe and Central Asia	7	1,171	11	6	811	11	45	7,927	17
Latin America and Caribbean	6	1,055	10	4	719	9	40	7,471	16
Middle East and North Africa	1	142	1	0	0	0	12	1,700	4
South Asia	3	1,449	14	2	410	5	20	3,606	8
Sub-Saharan Africa	26	4,565	44	12	4,325	57	96	16,483	37
Global	2	260	3	1	240	3	6	1,340	3
TOTAL	50	10,429	100	30	7,622	100	245	45,306	100

Figure 4. FIRST projects by region, number, and as a share of commitments
(Cumulative to June 30, 2007)



SECTORAL FOCUS

FIRST groups its projects into two thematic categories: (1) regulation and supervision, and (2) market development. FIRST focuses mainly on assisting low- and middle-income countries to strengthen their financial systems by putting in place legal, regulatory, and supervisory frameworks and building institutional capacity. These

tasks account for 59 percent of FIRST commitments in fiscal 2007 and an even larger share of the number of projects (Table 2). The second theme—filling gaps in domestic financial markets so as to encourage greater financial sector inclusiveness—constitutes 45 percent of cumulative commitments but only about a third of all projects.

TABLE 2. FIRST COMMITMENTS IN FY 2007 AND CUMULATIVELY, BY THEME

Theme	FY 2007			Cumulative		
	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)
Regulation and Supervision	18	4,488	59	161	24,832	55
Market Development	12	3,134	41	84	20,474	45
TOTAL	30	7,622	100	245	45,306	100

Within each of the two thematic categories, FIRST projects can be further classified by sector (Table 3). Banking, insurance and pensions, and capital markets are the sectors in which FIRST has made the largest commitments in both thematic categories (Figure 5).

The sectoral categorization that appears in Table 3 is more concise than that used in previous years' annual reports. The change stems from FIRST's adoption of the World Bank management reporting systems, and thus the sectoral categories specified by the World Bank.

TABLE 3. FIRST COMMITMENTS BY THEME AND SECTOR, FY 2003-FY 2007

Thematic Category	Sector	Cumulative		
		Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)
Regulation and Supervision	Financial Sector Strategy	13	1,879	4
	Banking	45	5,723	13
	Insurance and Pensions	43	9,305	21
	Capital Markets	40	4,804	11
	Housing Finance	1	383	1
	SME and Microfinance	4	525	1
	Payment Systems	5	812	2
	Accounting and Auditing	10	1,402	3
Market Development	Financial Sector Strategy	11	2,602	6
	Banking	24	4,703	10
	Insurance and Pensions	8	2,920	6
	Capital Markets	19	5,059	11
	Housing Finance	8	2,168	5
	SME and Microfinance	11	2,489	5
	Payment Systems	2	260	1
	Accounting and Auditing	1	272	1
TOTAL		245	45,306	100

Historically, FIRST has concentrated on banking, insurance and pensions, and capital markets (Table 4 and Figure 6). In fiscal 2007, however, FIRST's project work in banking and capital markets decreased significantly, reflecting a slackening of demand from countries and better

implementation and dissemination of international standards, especially in the banking sector. FIRST commitments and project numbers continued to grow in insurance and pensions as well as in financial sector strategy, making up 53 percent and 15 percent of the portfolio in fiscal 2007.

Figure 5. FIRST commitments and disbursements by region, FY 2003–FY 2007

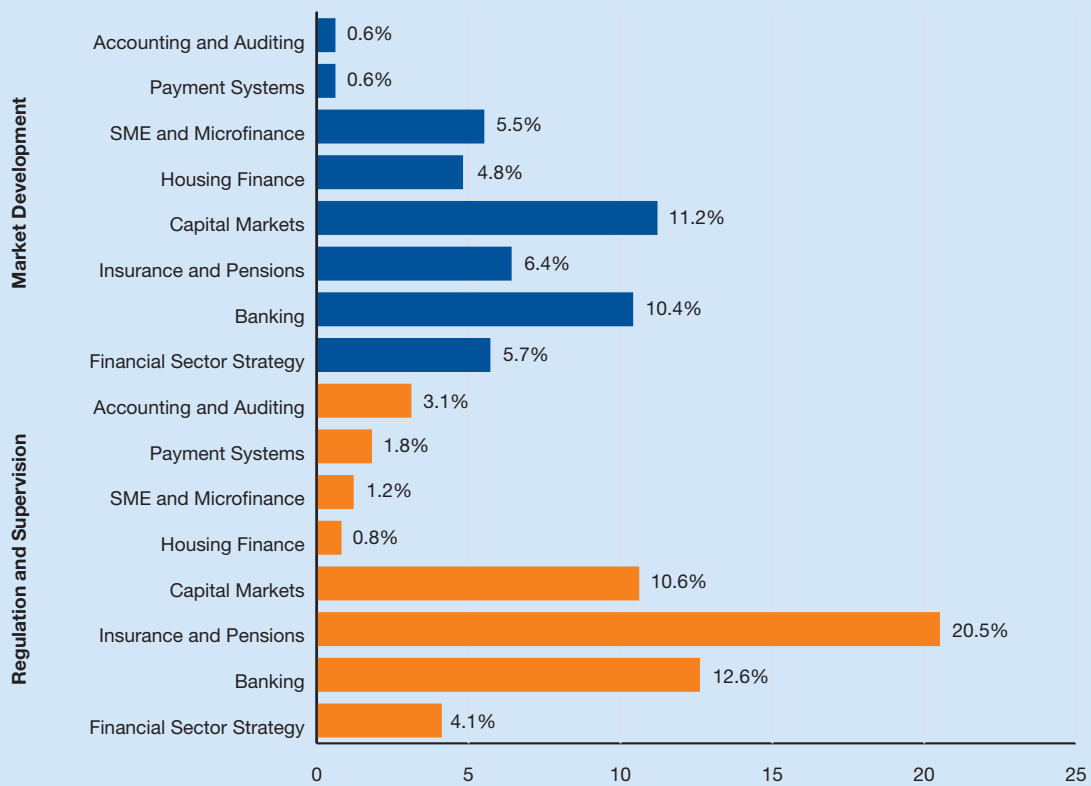
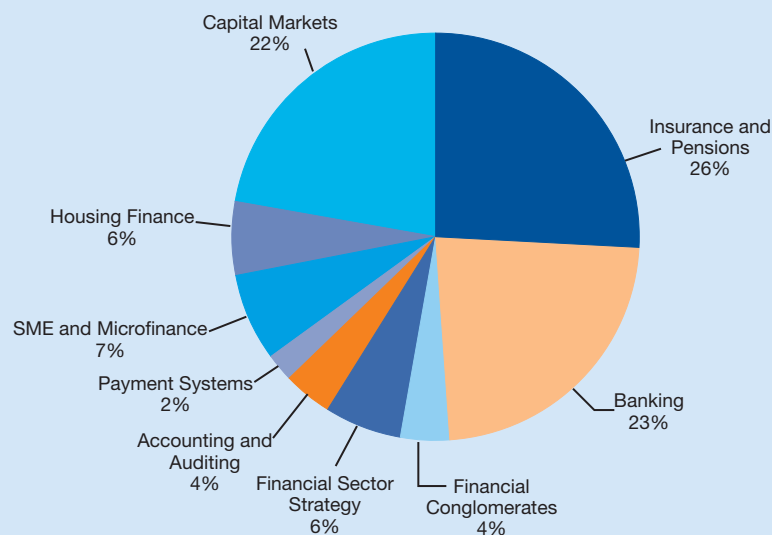


TABLE 4. FIRST COMMITMENTS BY SUBSECTOR IN FY 2006, FY 2007, AND CUMULATIVELY

Subsector	FY 2006			FY 2007			Cumulative		
	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)	Number of Projects	Commitments (thousands of US dollars)	Share of Total Commitments (percent)
Financial Sector Strategy	3	977	9	5	1,178	15	11	2,602	6
Financial Conglomerates	1	25	0.2	3	454	6	13	1,879	4
Banking	15	2,667	26	4	966	13	69	10,426	23
Insurance and Pensions	8	2,243	22	11	4,062	53	51	12,225	26
Capital Markets	10	1,896	18	0	0	0	59	9,863	22
Housing Finance	3	812	8	1	220	3	9	2,551	6
SME and Microfinance	6	1,250	12	2	303	4	15	3,014	7
Payment Systems	2	58	1	1	170	2	7	1,072	2
Accounting and Auditing	2	501	5	3	269	4	11	1,674	4
TOTAL	50	10,429	100	30	7,622	100	245	45,306	100

Figure 6. Cumulative Commitments by Subsector, FY 2003–FY2007



WORKING WITH DONORS AND PARTNERS

FIRST encourages recipient governments to identify their financial sector problems, prioritize them, and then solve them. It also pools the efforts of several development agencies, leveraging their expertise and reducing duplication. Often, FIRST takes on targeted projects that are too small for donors to tackle in a cost-effective way. Once projects are completed, FIRST disseminates the results to boost their impact and catalyze long-term support from donors.

Donor coordination is at the heart of FIRST's philosophy, driving its approach to financial sector development. In line with the Paris Declaration on Aid Effectiveness, FIRST harmonizes aid delivery in several ways. At the global level, it eliminates duplication of effort and helps donors choose an appropriate scale for their activities. At the project level, FIRST performs extensive due diligence to ensure that, through the projects it supports, donor resources are closely aligned with the priorities, systems, and procedures of recipient countries.

“The Superintendencia General de Valores de Costa Rica (SUGEVAL) received support from FIRST during 2006 with a project on achieving compliance with the standards of the International Organization of Securities Commissions. The assistance that FIRST provided completely met our expectations, and the objectives of the project were achieved. FIRST set out a clear analysis of existing obstacles and a path to follow in order to comply with the requirements. SUGEVAL is very satisfied with the results of the project.”

—Danilo Montero, Superintendent, SUGEVAL,
Costa Rica

KEY DONORS AND PARTNERS

FIRST was launched in 2002 with funding from the Department for International Development of the United Kingdom (DFID), the Canadian International Development Agency (CIDA), the International Monetary Fund (IMF), the Ministry of Foreign Affairs of The Netherlands, the State Secretariat for Economic Affairs of Switzerland (SECO), the Swedish International Development Cooperation Agency (Sida), and the World Bank.

Since its inception, FIRST has received \$67.3 million in cash contributions to two funds. As of June 30, 2007, contributions to the Low-Income Fund were \$46.6 million, while contributions to the Middle-Income Fund were \$20.7 million.

To expand its funding base and enhance its ability to provide aid for financial sector development, FIRST is seeking new donors and partners.

PARTNERSHIPS WITH THE WORLD BANK AND THE IMF

FIRST's close partnerships with the World Bank and the IMF allow the organization to draw on the technical expertise of the staff of both institutions and on their knowledge of national and regional policies. For example, staff from both institutions regularly assist in reviewing project proposals, providing policy advice, and even managing certain projects.

The World Bank administers FIRST on behalf of its donors and hosts the FIRST Program Management Unit. The IMF seconds a senior project officer to the unit. In late 2007 an IMF Subaccount was established within FIRST, formalizing the partnership and allowing IMF staff to manage FIRST technical assistance projects. Under the arrangements, 15 percent of FIRST's project funds are allocated to IMF-managed projects (after deduction of a 5 percent administrative fee by the World Bank from all FIRST contributions).

SELECT PROJECT PROFILES

AFRICA **Financial Sector Development Plan for Rwanda**

RWANDA'S PLANS TO BECOME A REGIONAL HUB ARE RIDING ON THE FINANCIAL SECTOR

Rwanda's long-term development plan could transform the country by 2020 into a regional trade and communications hub and move it into the ranks of middle-income countries. That plan hinges on developing a thoroughly modern financial sector capable of gathering, processing, and disseminating economic information; channeling funds to their most productive uses; and allocating risks appropriately.

The World Bank–IMF Financial Sector Assessment Program studied Rwanda in 2005. While recognizing that Rwanda had already undertaken significant reforms, the assessment concluded that the country's financial sector was still relatively shallow and undiversified. The assessment further found the sector characterized by relatively high lending rates, low insurance penetration, a scarcity of long-term debt and equity capital, a virtual absence of regulation and supervision in the nonbank financial sector, and an inadequate payments system. Most Rwandans had no access to financial services. The report recommended that the government prepare a road map to identify appropriate policy measures and requirements for capacity building and technical assistance to address those weaknesses.

The government responded in a decisive way, launching the Financial Sector Development Plan (FSDP). The robust and inclusive financial sector to be built under the plan would complement other parts of the government's overall strategy for economic development and poverty reduction. A national steering committee was established to drive the process under the supervision of the National Bank of Rwanda. The committee established four subcommittees comprising key stakeholders in: (a) banking and access to credit; (b) long-term finance and capital markets; (c) reg-



ulation of contractual savings (pensions and insurance); and (d) payments systems.

The FIRST Initiative supported this process by recruiting and financing a team of consultants that worked with the steering committee, the central bank, and other key stakeholders in each of the areas addressed by the FSDP.

A white paper incorporating the consultants' work presented to the cabinet those elements of the FSDP that required policy decisions, together with a detailed matrix of actions needed to implement them. The cabinet approved the paper and a comprehensive policy program in November 2006 and endorsed the supporting action matrix.

The government presented the FSDP to its development partners in May 2007, seeking financial and technical assistance to implement it. The response has been positive, with several donors, including the World Bank, the United Kingdom, The Netherlands, the United States, the IMF, and the African Development Bank making in-principle commitments of financing or technical assistance in excess of \$15 million. Rwanda's Ministry of Finance has established an FSDP management unit to oversee implementation of the plan and coordinate donor support.

GLOBAL Strengthening Corporate Governance Standards in Islamic Financial Institutions

ISLAMIC LAW AND INTERNATIONAL STANDARDS OF CORPORATE GOVERNANCE ARE RECONCILED IN ISLAMIC FINANCIAL INSTITUTIONS

The 240-odd Islamic financial institutions around the world hold total assets in excess of \$250 billion and are growing at a rate of approximately 15 percent per year. In response to that growth, many conventional banks have opened Islamic finance windows.

To develop guidelines and standards to help such institutions operate and grow in a manner consistent with Islamic law and international standards, the Islamic Financial Services Board (IFSB) was established in 2002. Headquartered in Malaysia, the IFSB has as members some 22 national supervisory authorities, including 12 from Islamic countries. The IFSB's other members include the Asian Development Bank, the IMF, the Islamic Development Bank, and the World Bank.

The principles of Islamic finance bar transactions based on a predetermined rate of return—thus ruling out interest. Instead, financial transactions should be linked to an arrangement to share risks, profits, and losses. Other standards driven by ethical, religious, and social considerations also come into play. For example, Islamic financial institutions cannot invest in alcohol production or gambling.

One of the objectives of the IFSB is to develop standards that reconcile Islamic law with international banking conventions, such as the Basel Core Principles. In this, the IFSB has been encouraged by the World Bank, the IMF, and the Organisation for Economic Co-operation and Development (OECD). FIRST provided technical assistance to the IFSB to develop a standard for corporate governance in Islamic banks, the third to be developed by the IFSB. (The first two were standards on capital adequacy and risk management.) Governance issues are complex in Islamic banks because, in addition to implementing the principles of governance applied in other banks, Islamic banks must reconcile their obligations to their shareholders with their role as sharers of their clients' risk. In other ways, too, their governance principles must comply with Islamic law.

FIRST's consultants attended the meetings of the IFSB working group responsible for the standard on corporate governance, following which they prepared a draft standard. They then participated in public hearings to discuss a draft in Lebanon and Indonesia and helped write the final version of the standard. IFSB's Standard on Governance advances seven principles to strengthen corporate governance in Islamic banks; it has been widely accepted by the IFSB's members.



EUROPE AND CENTRAL ASIA

Capacity Building for the Corporate Bond Market in Azerbaijan

A TRICKLE OF TECHNICAL ASSISTANCE UNLEASHES A NEW SOURCE OF DOMESTIC FINANCE

The State Securities Committee of Azerbaijan (SSC), which regulates Azerbaijan's capital markets, sought the help of FIRST and the European Bank for Reconstruction and Development to speed the development of the country's corporate bond market. In making its request, the SSC went beyond its formal role as regulator and supervisor to act as a catalyst for the development and diversification of the country's capital markets.

By 2004–05, Azerbaijan's commercial banks had succeeded in floating a small number of bond issues. The purpose of the FIRST-funded project was to prepare the ground for the issuance of bonds by firms other than banks, some of which were corporate clients of the pioneering commercial banks. Done right, the bond issues would broaden the country's capital markets, making larger amounts of domestic capital available to Azeri businesses and entrepreneurs, while developing the investment banking capacities of commercial banks and promoting corporate reporting and disclosure through prospectuses.

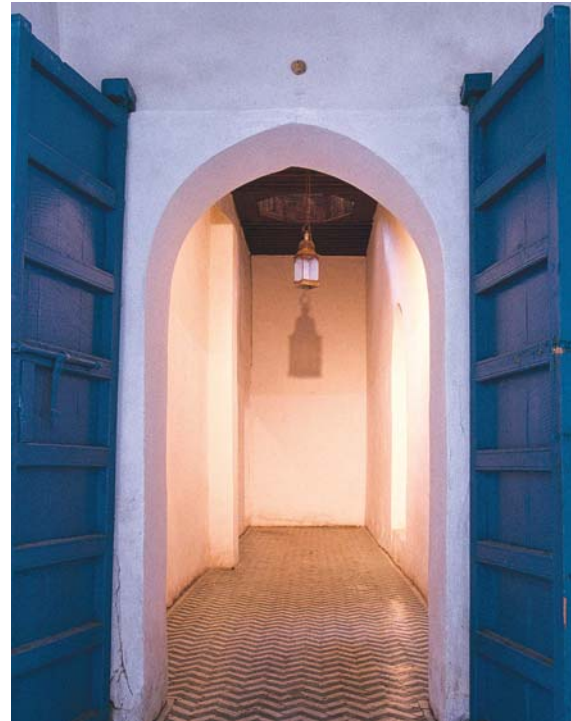
FIRST had modest expectations, estimating the project's initial outcome to be one or two issues of short-maturity bonds in the range of \$500,000 to \$1 million. It was expected that the issues would be subscribed by banks.

The project has far exceeded those expectations. Between March 2006 and October 2007 the volume of issues was more than \$21 million—with 17 issues in 18 months. More than a third of that total took the form of nonbank corporate bonds issued by, among others, an electronics company (\$2.5 million), a brick manufacturer (\$2 million), and leasing companies (more than \$2 million). FIRST-funded consultants played a major role in the initial issues, but today the banks are underwriting issues on their own, so the process is now

sustainable. As a further development, several issues of corporate equities are in preparation.

With the groundwork thus laid for the development of collective investment products, FIRST responded to a subsequent request from the SSC to provide advice and assistance on the drafting of a collective investments law. A draft law, approved by the SSC, is awaiting approval by the President's Office before being submitted to Parliament. The SSC is moving toward membership in the International Organization of Securities Commissions.

In short, a half-million dollars of technical assistance funded by FIRST has already led to more than \$21 million in bond issues, built sustainable expertise in the Azeri financial sector, set the stage for equity issues, and launched an initiative to permit collective investment schemes. Further work is needed to strengthen regulations, especially in the area of investment funds.



SOUTH ASIA

Expanding the Housing Finance Market in India

FIRST FINDS A WAY FOR INDIA'S BUILDERS TO PROVIDE HOUSING FOR THE POOR

The private housing market in India's cities is burgeoning. Housing finance has grown at a compound rate of 36 percent over the past 13 years. But the market is focused mainly on upper-income households and not on the lower segments that comprise more than 80 percent of the urban population.

With the encouragement of India's National Housing Bank and support from the World Bank, FIRST explored the possibility of enlisting the private sector in meeting the housing needs of lower-income urban Indian households on a purely commercial basis. The project included pilots to demonstrate the feasibility and profitability of serving this market.

FIRST's consultants conducted extensive field research on housing demand, housing supply and other factors. The findings were surprising. Many experts had believed that low-income households would spurn anything that the private sector could provide in their price range. In fact, customers indicated that they both want and can afford housing that the private sector is capable of providing. The findings suggest that the private housing market is commercially viable for low-income families earning between \$125 and \$275 a month, which constitute 37 percent of the urban households.

FIRST's consultants developed three models to reduce the risks inherent in serving low-income customers. In the first, aimed at potential home buyers working in the formal sector, employers aggregate customers and facilitate loan processing (for example, through payroll deductions), thereby lowering both costs and risk. Financial institutions are eager to finance such groups, while developers are equally keen to provide housing



to prefinanced groups.

The second model is similar, except that it targets the informal sector and uses a microfinance organization to aggregate buyers and collect their payments. The second model also depends on an external credit guarantee to reduce risk and make customers attractive to financial institutions. The third model, for financial institutions with existing customers in this target segment, also uses an external guarantee to reduce risk.

To prove the feasibility of the models, FIRST facilitated a series of pilots. Three are now underway, including lots of 200 and 315 units in Mumbai and a lot of 250 units in Ahmedabad. If these and other pilots work, the scheme could provide housing for more than 30 million families in urban India over the next decade—a potential market of \$180 billion.

And if the models work in India, they may be able to transform household finance in other countries, as well, thereby providing the safety and security of a home to many millions of people around the world—all from FIRST's investment of less than \$1 million.

INFORMATION EXCHANGE

FIRST's Information Exchange is an online portal for information on financial sector development assistance. A public service, accessible to anyone with an Internet connection, Information Exchange is the most comprehensive database of financial sector development projects available globally.

The Information Exchange includes:

- More than 2,200 financial sector reform and strengthening projects in developing countries funded by FIRST and other donor agencies.
- Country-specific financial sector projects, and links to financial sector reports and diagnostics from international organizations.

- Links to standard-setting bodies, regional organizations, nongovernmental organizations, and topical databases, as well as sector-specific information on financial sector reform projects sponsored by official donors.
- Information on donors that provide technical assistance and capacity building in the financial sector.

The database can be searched by country, region, sector, funding agency, and start/completion dates. In the future, the Information Exchange will feature tools for use in the delivery of financial sector technical assistance, as well as information on best practices and innovative approaches to financial sector reform in low- and middle-income countries.

LOOKING AHEAD

In its first four years, FIRST has supported more than 240 technical assistance projects around the globe. An independent evaluation found that through those projects FIRST had met the objectives set forth by its donors and earned a prominent place in the global market for financial sector development. That positive impact assessment, coupled with FIRST's clear achievements at the project level, underpinned the Governing Council's decision to expand FIRST's operations in line with the recommendations for improvement offered by the evaluators.

During its initial phase of operations, FIRST focused primarily on the delivery of technical assistance to client countries. Although the organization's general objective will remain unchanged in Phase II, FIRST will now seek to strengthen the causal links between its technical assistance and the contributions of deep, orderly financial systems to economic growth, poverty reduction, and social equity. FIRST will do this by ensuring that its activities produce tangible, visible results, particularly in the area of market development.

FIRST is in a strong position today to focus on elements of its work program that remained on the periphery during the early years, elements such as learning, identification of good practices, and knowledge sharing among clients, donors, and the private sector. In the near future, FIRST will launch some new activities to reach these goals:

- A biennial forum to increase awareness of the importance of financial sector development among policy makers and donors
- Cooperation with key regional and global partnership programs, such as Making Finance Work for Africa partnership
- Greater research and knowledge sharing among key public and private sector partners.

At the same time, FIRST will also seek to expand its donor base, both to increase its resources and to enhance donor coordination in the sector in line with the Paris Declaration on Aid Effectiveness.

FIRST's long-term goal is to be the leading global repository of information on best practices in technical assistance for financial sector development, with its value recognized by clients, donors, and other stakeholders.

“The funding that the ASEAN Insurance Training and Research Institute (AITRI) received from FIRST Initiative has advanced our capacity-building programs for the insurance industry, particularly with regard to application of the core principles and best practices of the International Association of Insurance Supervisors. This has raised the standards of practice of the insurance industry in Southeast Asia and other emerging markets in Asia. Without FIRST Initiative’s funding, this might have been difficult to achieve.”

—Hairul Ramlee, The Secretariat, AITRI, Malaysia

The page features a minimalist design with large, overlapping curved shapes in a vibrant blue and white color palette. The shapes create a sense of movement and depth, framing the central text.

A N N E X E S

A N N E X I

SOURCES AND USES OF FUNDS

FINANCIAL OVERVIEW

The year ending June 30, 2007 can be characterized as one of FIRST's most vibrant periods. The year's major events included the completion, on February 28, 2007, of the organization's first phase and the beginning, on March 1, 2007, of its second; an injection of new contributions; the integration of continuing projects from Phase I into the World Bank's fiduciary and managerial systems; and the establishment of a Program Management Unit in Washington, DC.

The decision to continue into Phase II as a World Bank-managed trust fund was cemented by pledges of more than \$40 million from FIRST donors, of which approximately \$11 million was received from the Department for International Development of the United Kingdom for use in low-income countries.

Disbursements to providers of technical assistance during the year were at a record level of more than \$12 million, representing 39 percent of all disbursements to providers since FIRST's inception in 2002.

During Phase II, FIRST is managed by a Program Management Unit responsible for project implementation as well as administrative, accounting, reporting, and treasury services. The unit is fully staffed. For the four months ending on June 30, 2007, it incurred a total cost of just under \$0.45 million.

As of June 30, 2007, FIRST's undisbursed trust fund balance stood at \$34.8 million.

**COMBINED STATEMENT OF CUMULATIVE CASH RECEIPTS,
DISBURSEMENTS, AND FUND BALANCE**
(EXPRESSED IN U.S. DOLLARS)

	As at 6/30/07	As at 6/30/06
Contributions received (Note 1)		
Canada	8,334,009	8,334,009
Netherlands	7,816,897	7,816,897
Sweden	2,626,714	2,626,714
Switzerland	10,865,198	10,865,198
United Kingdom	37,663,193	26,832,593
Total contributions	<u>67,306,011</u>	<u>56,475,411</u>
Investment income (Note 2)	3,997,082	2,242,826
Total receipts	<u>71,303,093</u>	<u>58,718,237</u>
Disbursements (Note 3)	30,820,413	18,756,308
Administrative fees (Note 4)	1,445,137	903,607
Coordination Unit and Steering Committee expenses	3,786,789	2,864,717
Program Management Unit expenses	444,909	—
Total disbursements	<u>36,497,248</u>	<u>22,524,632</u>
Excess of receipts over disbursements	34,805,845	36,193,605
Fund balance		
Beginning of period	36,193,605	—
Net reduction in trust fund as at June 30, 2007	(1,387,760)	—
Fund balance consists of:		
Share in pooled cash and investments	<u>34,805,845</u>	<u>36,193,605</u>

Contributions (Note 1)

The resources of the FIRST Trust Fund (Fund) are maintained in US dollars. Conversions of contributions received in various currencies into US dollars are initiated by the World Bank upon the later of receipt of funds or receipt of the signed and countersigned Administration Agreement. During the year, FIRST received the UK Phase II contribution of GBP 5.5 million, resulting in cumulative contributions from all donors of \$67,306,011 since inception in 2002.

As of June 30, 2007, the contribution amounts committed by the donors and received by FIRST for the Low-Income Fund and Middle-Income Fund are as follows:

Low-Income Fund

Donor	Amounts Committed		Amounts Received		Contribution Received in/Converted to US\$
PHASE I					
Netherlands	EUR	6,660,000	EUR	7,816,897	7,816,897
Sweden	SKr	20,000,000	SKr	20,000,000	2,626,714
Switzerland	SwF	8,400,000	SwF	8,400,000	6,515,392
United Kingdom	GBP	11,900,000	GBP	10,827,756	18,782,815
					35,741,818
PHASE II					
Canada	CDN	5,000,000	CDN	—	10,830,600
United Kingdom	GBP	5,500,000	GBP	5,500,000	10,830,600
Total Low-Income Fund contributions					46,572,418

Middle-Income Fund

Donor	Amounts Committed		Amounts Received		Contribution Received in/Converted to US\$
PHASE I					
Canada	CDN	12,000,000	CDN	7,999,960	5,668,221
			US\$	2,665,788	2,665,788
Switzerland	SwF	5,600,000	SwF	5,600,000	4,349,806
United Kingdom	GBP	5,100,000	GBP	4,640,467	8,049,778
					20,733,593
PHASE II					
Canada	CDN	5,000,000	CDN	—	—
Total Middle-Income Fund contributions					20,733,593
Combined total contributions					67,306,011

Investment Income (Note 2)

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

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

An investment income of \$1,754,254 was credited to the Fund during the year ended June 30, 2007. The cumulative investment income since inception is \$3,997,082.

Disbursements (Note 3)

During Phase I, the World Bank acted in its capacity as a fiscal agent, disbursing amounts from the Fund to a disbursement bank account for payments to technical assistance providers. The Phase I administrative arrangements also provided for the World Bank to make contributions to FIRST Initiative under the Development Grant Facility (DGF). As at June 30, 2007, contributions in the amount of \$1,210,000 have been made through the DGF window and have been fully disbursed on projects. The DGF contributions have been excluded from the disbursements in this statement as they were paid directly to the Phase I Management Unit and have been fully accounted for.

As of March 1, 2007, all payments to technical assistance providers are disbursed directly from the World Bank and are made in accordance with the World Bank's policies and procedures. Disbursements also include the World Bank and IMF staff time and travel costs. During the year ended June 30, 2007 direct project disbursements from the Fund were \$12,064,105.

Administrative Fees (Note 4)

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

During Phase II, in accordance with its expanded role and the Administrative Agreements, the World Bank retains five percent (5%) of the gross contributions for the administration of the Fund. Administrative fees in the amount of \$541,530 were deducted by the World Bank during the year ended June 30, 2007. The cumulative administrative fees since inception are \$1,445,137.

A N N E X I I

PROJECTS APPROVED IN FISCAL 2007

Country	Project Title	Activity Description	Amount (in US dollars)
SUB-SAHARAN AFRICA			
Angola	Development of Nonbank Financial Institutions (NBFIs) Regulatory and Supervisory Frameworks	Advising the government in developing NBFIs regulatory and supervisory frameworks that are in line with the umbrella Financial Institutions Act passed by the Parliament; training Bank of Angola supervision personnel.	108,000
Botswana	Updating Accounting and Auditing Legislation	Developing an effective legislative framework for accounting and auditing, including enforcement powers, in line with World Bank ROSC recommendations.	55,000
Burundi	Central Bank Strengthening	Conducting a business process review of the processes and procedures of the Central Bank of Burundi, identifying areas of risk, and recommending appropriate solutions and the information technology required to implement that strategy.	235,000
Djibouti	Action Plan for Strengthening SME Financing Mechanisms	Developing the technical elements (such as feasibility and business plan) necessary for the implementation of a realistic and efficient instrument for the financing of SMEs in Djibouti.	188,000
Guinea	Leasing Law	Examining the current regulatory, legal, and fiscal framework for financial leasing, and providing specific recommendations for making that framework more conducive to financial leasing and to the establishment of leasing companies.	115,000
Madagascar	Modernization & Reform of Private Sector Pension Fund	Strengthening the social protection sector in the country through the provision of technical assistance related to actuarial and management information systems to the Caisse Nationale de Prévoyance Sociale, the national social protection organization for private sector workers.	380,000
Nigeria	Financial Systems Strategy 2020	Providing advice to the government on corporate and financial sector governance and financial sector strategy development, covering areas such as capital market and pension reform, insurance market development, housing finance, credit market and SMEs, technology and payment systems, legal framework, and regulatory structure.	249,000
Tanzania	Action Plan for Developing Mortgage Finance Markets	Developing an integrated strategy and an action plan for mortgage finance development, to include recommendations on regulatory changes, liquidity mechanisms, credit enhancement schemes, and options for providing mortgage finance to lower-income groups.	220,000
	Non-Life Insurance Technical Reserving Pilot	Implementing the technical requirements template related to the data management and reserving practices of non-life insurers in Tanzania, and further developing the template to enhance its relevance to other developing insurance markets.	137,500

PROJECTS APPROVED IN FISCAL 2007

Country	Project Title	Activity Description	Amount (in US dollars)
SUB-SAHARAN AFRICA <i>continued</i>			
Uganda	Non-Life Insurance Technical Reserving Pilot	Implementing the technical requirements template related to the data management and reserving practices of non-life insurers in Uganda, and further developing the template to enhance its relevance to other developing insurance markets.	137,500
Regional projects	Credit Reporting and Financial Information Infrastructure Program	Increasing access to credit and competitiveness within the financial markets of African countries by improving the quality and availability of information on borrowers necessary for financial transactions, with a focus on data on micro, small, and medium-sized businesses and on a broad cross-section of the population.	550,000
	NBFI Regulators' Capacity Building Program	Providing the member states of the Southern African Development Community (SADC) with capacity building support in NBFI regulation and supervision through a comprehensive regional technical assistance program.	1,950,000
Total for region			4,325,000
EAST ASIA AND PACIFIC			
Papua New Guinea	Development of Risk-Based Capital and Assessment System for Non-Life Insurers	Recommending an appropriate risk-based capital framework that is consistent with emerging international standards and appropriate to the circumstances and the availability of resources in Papua New Guinea.	300,000
Vanuatu	Strengthening Regulation and Supervision of Company and Trust Service Providers	Providing technical assistance and capacity building to develop the legislative framework for the regulation and supervision of company and trust service providers.	126,000
Vietnam	Feasibility Study for the Establishment of a Central Securities Depository	Conducting a feasibility study for the establishment of a single and independent entity for deposits, clearance, and settlement for the growing securities market in Vietnam.	200,000
	Toward International Standards for Supervising the Insurance Sector	Assisting the Ministry of Finance to bring its legal and regulatory framework for insurance up to IAIS standards and to enhance its supervisory capacities.	249,000
	Developing Flood Insurance	Meeting the country's rural financial needs by launching, in the districts of Tam Nong and Thanh Binh of Dong Thap province, a pilot index-based flood insurance product (likely tied to credit provision) that transfers catastrophic flood risk out of the agricultural sector.	242,000
Total for region			1,117,000

PROJECTS APPROVED IN FISCAL 2007

Country	Project Title	Activity Description	Amount (in US dollars)
EUROPE AND CENTRAL ASIA			
Albania	Accounting and Audit Country Plan	Enhancing the quality of financial reporting in Albania by developing a national plan to implement the recommendations contained in the ROSC auditing and accounting report.	125,000
Armenia	Development of Insurance Sector	Providing guidance to the central bank in establishing a strategy for the development of the insurance sector, to include development of regulatory and supervisory capacity and the conditions necessary to attract strong foreign insurers to the market.	65,149
Azerbaijan	Strengthening Supervision of the Banking Sector	Strengthening the supervision of the banking sector through the creation of a flexible management information system in the Credit Institutions Supervision Department that facilitates an informed and coordinated approach to supervision issues.	156,000
Georgia	Development of Country Strategy for ROSC Accounting and Auditing	Enhancing the quality of financial reporting in Georgia by developing a national plan to implement the recommendations contained in the ROSC auditing and accounting report.	89,000
	Reform of Motor Third-Party Liability Insurance	Assisting the government to reform the regime for drivers' third-party liability insurance by developing the legal framework, rebuilding the motor bureau and guarantee fund, developing judicial guidelines and training, installing a central database, and developing actuarial capacity.	206,050
Kyrgyz Republic	Modernization of the Postal System	Supporting the management of the national postal service in undertaking a study of the feasibility of postal infrastructure reform and development and drafting a medium-term strategic and business plan for the service.	170,000
Total for region			811,199
LATIN AMERICA AND CARIBBEAN			
Chile	Implementation of Risk-Based Supervision Model for Insurance Industry	Strengthening the institutional capacities of the Superintendencia de Valores y Seguros by supporting the development of a full model of risk-based supervision in the Chilean insurance industry.	249,000
	Risk-Based Regulation of Pension Funds	Improving the performance of the Chilean private pension system, both in terms of risk-adjusted returns and operating costs, by changing the regulatory and supervisory framework from one based on strict compliance with extensive and detailed portfolio controls to a new framework with fewer quantitative limits and greater emphasis on efficient risk management by pension funds.	225,000

PROJECTS APPROVED IN FISCAL 2007

Country	Project Title	Activity Description	Amount (in US dollars)
LATIN AMERICA AND CARIBBEAN <i>continued</i>			
Colombia	Supervision of Financial Conglomerates	Strengthening the existing supervisory framework for financial conglomerates in Colombia through refinement of the relevant risk-assessment methodology, the development of consolidated accounting rules and minimum capital-adequacy requirements at the group level, and through the design and implementation of relevant supervisory processes and procedures.	220,000
Regional projects	Workshop for Offshore and Onshore Supervisors and Standard Setters	Assisting supervisors in offshore financial centers in improving their use of financial information, enhancing disclosure, and strengthening supervisory practices.	25,000
Total for region			719,000
SOUTH ASIA			
Bangladesh	Household Survey on Remittances	Conducting a national household survey on remittances to collect information on remittance channeling and utilization patterns at the household level, which will in turn improve understanding and suggest appropriate policy measures.	240,000
Regional projects	AITRI Workshop on IAIS Insurance Core Principles	Helping the region's insurance supervisors to develop and implement action plans to strengthen the regulatory framework and improve supervisory standards in accordance with international best practices.	170,050
Total for region			410,050
GLOBAL PROJECT			
Global project	IFSB Corporate Governance Standards for Islamic Insurance & Investment Funds	Developing a corporate governance standard for Islamic insurance operations and Islamic investment funds to strengthen the Islamic financial services industry.	240,000
GRAND TOTAL			7,622,249

A N N E X I I I

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY (CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SUB-SAHARAN AFRICA					
Angola	Project Formulation for Proposed NBF Sector Technical Assistance	Capital Markets	12,710	12,710	FY 2005
	Development of Nonbank Financial Institutions Regulatory and Supervisory Frameworks	Financial Conglomerates	108,000	0	FY 2007
Botswana	Nonbank Financial Institutions: Supervision and Strategy	Capital Markets	148,608	148,608	FY 2005
	Updating Accounting and Auditing Legislation	Accounting and Auditing	55,000	39,562	FY 2007
Burundi	Central Bank Strengthening	Banking	235,000	0	FY 2007
Cameroon	Capacity Building of the Financial Markets Commission	Capital Markets	98,264	98,264	FY 2003
Djibouti	Action Plan for Strengthening SME Financing Mechanisms	SME and Microfinance	188,000	0	FY 2007
Gambia, The	Implementation and Development of Central Bank Book Entry System	Banking	84,509	84,509	FY 2005
Ghana	Rural Banking Restructuring	Banking	71,042	71,042	FY 2003
	Payment Systems Project Design for the Millennium Challenge Corporation	Payment Systems	44,550	44,550	FY 2006
Guinea	Development of a Microfinance Regulatory and Supervisory Framework	SME and Microfinance	300,000	107,937	FY 2006
	Fostering Foreign Exchange Market Development	Banking	148,000	0	FY 2006
	Leasing Law	SME and Microfinance	115,000	0	FY 2007
Kenya	Strategy for Development Finance and Increasing Access to Financial Services	SME and Microfinance	244,872	244,872	FY 2004
	Development of Audit Quality Review Program	Accounting and Auditing	99,000	39,436	FY 2005
	Central Bank of Kenya: Strengthening Business Processes	Banking	466,008	466,008	FY 2005

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SUB-SAHARAN AFRICA <i>continued</i>					
Kenya, <i>continued</i>	Reform of the Legal and Institutional Framework for Asset Financing	Banking	333,000	196,038	FY 2005
	Development of Mortality and Morbidity Tables	Insurance and Pensions	178,000	115,807	FY 2005
Lesotho	Insurance Sector Strengthening	Insurance and Pensions	315,000	171,249	FY 2003
	Automated Clearing House Systems Project Design for the Millennium Challenge Corporation	Banking	42,189	42,189	FY 2006
Madagascar	Developing a Microfinance Credit Information Bureau	SME and Microfinance	350,000	49,062	FY 2006
	Project Design for Assistance on Modernization and Reform of the Private Sector Pension Fund	Insurance and Pensions	5,197	5,197	FY 2006
	Modernization & Reform of Private Sector Pension Fund	Insurance and Pensions	380,000	273,714	FY 2007
Malawi	NBFI Capacity Building Strategy	Capital Markets	112,008	112,008	FY 2005
	Evaluation of Central Bank Book Entry System	Banking	13,934	13,934	FY 2006
	Strengthening the Legal Framework for NBFIs and Providing Preliminary Advice on Pension Reform	Capital Markets	254,710	246,171	FY 2006
	Enhancement of Central Bank Book Entry System	Banking	99,000	86,160	FY 2006
Mali	Strategy for Introducing Workers' Hazard, Health Insurance, and Funded Pillar for Public Pensions	Insurance and Pensions	553,000	229,019	FY 2006
Mauritania	Strengthening Microfinance Supervisions	SME and Microfinance	21,972	21,972	FY 2005
Mauritius	Preparation of a Code of Corporate Governance	Corporate Governance	117,000	117,000	FY 2003
	Implementing Effective AML/CFT Measures	Banking	127,168	127,168	FY 2003
	Strengthening Securities and Listing Regulations	Capital Markets	179,789	179,789	FY 2004

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SUB-SAHARAN AFRICA <i>continued</i>					
Mauritius, continued	Establishing a Financial Reporting Council	Financial Conglomerates	167,536	167,536	FY 2005
	Assistance with Drafting Securities Legislation	Capital Markets	48,128	48,128	FY 2005
	Establishing Second-Tier Securities Market and Restructuring Over-the-Counter Market	Capital Markets	158,502	158,502	FY 2005
	Development of Selected Nonbank Financial Regulations	Capital Markets	377,712	377,712	FY 2005
	Establishment of the Mauritius Institute of Directors	Corporate Governance	33,800	33,800	FY 2006
Namibia	NAMFISA: Development of Capacity Building Strategy	Capital Markets	113,128	113,128	FY 2004
	Viability of Second-Tier Banking	Banking	55,977	55,977	FY 2005
Nigeria	Financial Systems Strategy (FSS) 2020	Financial Sector Strategy	249,000	186,845	FY 2007
Rwanda	Developing a Microfinance Credit Information Bureau	Banking	285,000	219,908	FY 2004
	Linking Payment Systems for Banks and Service Providers	Payment Systems	397,000	188,046	FY 2005
	Advice on the Financial Sector Development Plan	Financial Sector Strategy	671,000	589,947	FY 2006
	Strengthening Supervisory Capacity of the Insurance Commission	Insurance and Pensions	208,000	157,697	FY 2006
Sierra Leone	Advice on Developing Markets and Institutions for Long-Term Capital	Capital Markets	32,358	32,358	FY 2004
	Implementation of Central Bank Book Entry System	Payment Systems	89,763	89,763	FY 2004
	Supervision of NBFIs: Assessment and Capacity Building	Banking	147,990	147,990	FY 2004
	Implementation of Capital Market Development Plan	Capital Markets	418,000	322,622	FY 2005

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SUB-SAHARAN AFRICA <i>continued</i>					
South Africa	Accounting and Auditing Legislation	Accounting and Auditing	114,391	114,391	FY 2004
	Review of the Proposed Strategy for Integration of Financial Regulations	Banking	18,425	18,425	FY 2005
Sudan	Banking Sector Regulation and Supervision	Banking	378,500	0	FY 2006
	Access to Financial Services for Farmers in the Gezira Region	SME and Microfinance	137,000	43,686	FY 2006
Swaziland	Supervision of NBFIs: an Initial Assessment and Proposed Strategy	Capital Markets	124,255	124,255	FY 2004
	Implementation of Central Bank Book Entry System	Banking	63,101	63,101	FY 2004
	Improving Access to the Financial Sector	SME and Microfinance	126,103	126,103	FY 2004
	Review Draft Bill for the Establishment of the FSRA	Capital Markets	6,000	6,000	FY 2005
Tanzania	Development of an FSAP Follow-up Strategy Plan	Financial Sector Strategy	27,099	27,099	FY 2005
	Capital Markets and Securities Authority: Development of Operational Strategy and Implementation Plan	Financial Sector Strategy	175,000	137,266	FY 2006
	Updating Accounting and Auditing Legislation and Enforcement Capacity	Accounting and Auditing	427,980	268,115	FY 2006
	Action Plan for Developing Mortgage Finance Markets	Housing Finance	220,000	13,835	FY 2007
	Non-Life Insurance Technical Reserving Pilot	Insurance and Pensions	137,500	0	FY 2007
Uganda	Support for the Implementation of Collective Investment Schemes Legislation	Capital Markets	72,550	72,550	FY 2004
	Advice on Establishing a Consolidated Supervisor for NBFIs	Capital Markets	80,563	80,563	FY 2005
	Strategic Options for Post Bank Uganda	Banking	115,960	115,960	FY 2006
	Non-Life Insurance Technical Reserving Pilot	Insurance and Pensions	137,500	0	FY 2007

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SUB-SAHARAN AFRICA <i>continued</i>					
Zambia	Advice on Proposed Financial Sector Development Plan	Financial Sector Strategy	34,150	34,150	FY 2004
	Regulatory Implications of a Credit Rating Agency	Banking	136,400	92,117	FY 2005
	Pensions and Insurance Supervisory Strengthening	Insurance and Pensions	87,607	87,607	FY 2005
	Institute of Bankers Training and Education Strategy	Banking	49,000	37,751	FY 2005
	Development of Capacity Building Action Plan	Capital Markets	223,000	104,373	FY 2005
Regional projects	West African Monetary Institute (WAMI): Banking Supervision Study	Banking	123,632	123,632	FY 2003
	CEMAC Region: Development of Long-Term Finance (Debt Market)	Capital Markets	222,800	222,800	FY 2003
	Eastern and Southern Africa: Regional Bank Supervisors Leadership Program	Banking	108,362	108,362	FY 2004
	SADC Development Finance Resource Centre: Needs Analysis & Skills Audit of DFIs	Banking	77,500	77,500	FY 2004
	Training Evaluators in AML/CFT Assessment	Banking	61,183	61,183	FY 2004
	ESAAMLG: AML/CFT Strategy Development for Member Countries	Banking	122,365	122,365	FY 2004
	Strengthening Payment Systems in Botswana, Swaziland, and Sierra Leone	Payment Systems	183,520	183,520	FY 2004
	WAMI: Externally Assisted Self-Assessment of Basel Core Principles	Banking	107,777	107,777	FY 2004
	Botswana and Swaziland: Scoping Mission for Supervision of Nonbank Financial Institutions	Capital Markets	18,474	18,474	FY 2005
	Regional Training Seminar for Insurance Supervision	Insurance and Pensions	36,296	36,296	FY 2005
	Capacity Building for East African CIS Regulators	Insurance and Pensions	5,619	5,619	FY 2005

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SUB-SAHARAN AFRICA <i>continued</i>					
Regional projects, continued	Regional Workshop on Tiered Banking Regulations	Banking	11,129	11,129	FY 2005
	Prudential Standards for Development Finance Institutions in Africa	Banking	220,000	153,944	FY 2005
	Strengthening AML/CFT Regimes in Portuguese-Speaking Countries	Banking	31,034	31,034	FY 2005
	African Trade Insurance Agency: Technical Assistance on Proposed Development of Credit Risk Insurance Services	Banking	139,000	70,400	FY 2005
	Capacity Building in Banking Supervision	Banking	61,675	61,675	FY 2005
	Workshop on Consolidated Supervision and the Supervision of Conglomerates	Capital Markets	38,105	38,105	FY 2006
	Regional Seminar on Risk-Based Supervision	Insurance and Pensions	29,542	29,542	FY 2006
	Financial Sector Assessment of Microfinance in the CEMAC Zone	SME and Microfinance	62,885	62,885	FY 2006
	Financial Sector Assessment of Housing Finance in the CEMAC Zone	Housing Finance	65,245	65,245	FY 2006
	SADC and East Africa: Project Design for NBF Regulator's Strategy and Capacity Building Program	Capital Markets	19,325	19,325	FY 2006
	FinScope Africa: Technical Assistance for Strategy Development	Financial Strategy	74,994	74,994	FY 2006
	EASRA: Advice on Achieving Compliance with IOSCO MMoU	Capital Markets	118,936	118,936	FY 2006
	SADC and East Africa: Training Program for NBF Regulators	Capital Markets	198,331	198,331	FY 2006
	Credit Reporting and Financial Information Infrastructure Program	Banking	550,000	152,417	FY 2007
	NBF Regulators' Capacity Building Program	Capital Markets	1,950,000	166,587	FY 2007
Total for region			16,483,238	10,123,360	

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
EAST ASIA AND PACIFIC					
China	Strengthening Regulation and Supervision of Securities Firms	Capital Markets	315,318	308,653	FY 2004
	Regulation and Supervision of Corporate Pensions	Insurance and Pensions	625,000	600,245	FY 2004
	Regulation of the Distribution of Securities Investment Funds	Insurance and Pensions	256,216	256,216	FY 2004
	Amendments to Securities Law	Capital Markets	339,283	335,874	FY 2004
Indonesia	Secondary Markets Capacity Building	Capital Markets	121,871	121,871	FY 2004
	Strategic Advice on Pension Reform	Insurance and Pensions	124,941	124,941	FY 2005
	Strategic Options for Reforming Civil Service Pension and Savings Scheme (TASPEN)	Insurance and Pensions	450,000	127,375	FY 2006
Laos	Development of a Rural and Microfinance Strategy and Legal and Regulatory Framework	SME and Microfinance	149,258	149,258	FY 2003
	Survey of Rural and Microfinance	SME and Microfinance	152,321	152,321	FY 2004
	MFI Supervision Capacity Building	SME and Microfinance	325,000	75,308	FY 2006
Mongolia	Development of Insurance Supervisory Framework and Legal Framework for Livestock Insurance	Insurance and Pensions	320,416	320,709	FY 2003
	Development of Index-Based Livestock Insurance	Insurance and Pensions	592,000	78,858	FY 2005
Papua New Guinea	Development of Risk-Based Capital and Assessment System for Non-Life insurers	Insurance and Pensions	300,000	0	FY 2007
Philippines	Development and Implementation of a Non-Life Insurance Supervisory Information System	Insurance and Pensions	145,001	145,001	FY 2003
	Building Training Capacity in Banking Supervision	Banking	440,127	440,127	FY 2005
Thailand	Assisting Self-Assessment of Selected Financial Sector Core Principles	Capital Markets	132,985	132,985	FY 2005

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
EAST ASIA AND PACIFIC <i>continued</i>					
Timor-Leste	Strategy for Establishing a Credit Registry	Financial Sector Strategy	131,200	119,495	FY 2006
Vanuatu	Strengthening Regulation and Supervision of Company and Trust Service Providers	Financial Conglomerates	126,000	58,307	FY 2007
Vietnam	Establishing a National Association for People's Credit Funds	Banking	360,000	33,161	FY 2006
	Regulation and Guidance for Management of Investment Funds	Insurance and Pensions	463,100	365,262	FY 2006
	Feasibility Study for the Establishment of a Central Securities Depository	Banking	200,000	169	FY 2007
	Towards International Standards for Supervising the Insurance Sector	Insurance and Pensions	249,000	68	FY 2007
	Developing Flood Insurance	Insurance and Pensions	242,000	0	FY 2007
Regional projects	Training Evaluators in AML/CFT Assessment	Banking	86,382	86,382	FY 2004
	Workshop on Self-Assessment of Selected IAIS Insurance Core Principles	Insurance and Pensions	73,745	73,745	FY 2005
Total for region			6,721,165	4,106,333	
EUROPE AND CENTRAL ASIA					
Albania	Accounting and Audit Country Plan	Accounting and Auditing	25,000	0	FY 2007
Armenia	Insurance Supervisory Restructuring and Strengthening	Insurance and Pensions	74,480	74,480	FY 2003
	Insurance Regulation Drafting and Capacity Building	Insurance and Pensions	212,202	212,202	FY 2004
	Preliminary Advice on Establishment of Unified Regulator	Financial Conglomerates	24,663	24,663	FY 2006
	Advice on Establishment of Unified Regulator	Financial Conglomerates	34,544	34,544	FY 2006

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
EUROPE AND CENTRAL ASIA <i>continued</i>					
Armenia, continued	Development of Insurance Sector	Insurance and Pensions	65,149	65,149	FY 2007
Azerbaijan	Capacity Building for Establishing Nonbank Corporate Bonds Market	Capital Markets	591,572	415,208	FY 2005
	Advice on Insurance Law and Regulations	Insurance and Pensions	325,000	228,071	FY 2006
	Strengthening Supervision of the Banking Sector	Banking	156,000	0	FY 2007
Bulgaria	Strengthening of Supervisory Capacity of the Financial Services Commission	Financial Conglomerates	380,000	317,013	FY 2004
	Feasibility Study for a Financial Derivatives Market	Banking	35,198	35,198	FY 2005
Georgia	Insurance Supervisory Strengthening	Insurance and Pensions	193,336	193,336	FY 2003
	Debt Securities Market Strategy	Capital Markets	52,127	52,127	FY 2004
	T-Bills Process, Municipal Bonds Issuance	Capital Markets	347,000	218,865	FY 2006
	Development of Country Strategy for ROSC	Accounting and Auditing	89,000	0	FY 2007
	Reform of Motor Third-Party Liability Insurance	Insurance and Pensions	206,050	0	FY 2007
Kazakhstan	Insurance Sector Strategic Advice and Regulatory Assistance	Insurance and Pensions	161,803	161,803	FY 2005
	Assisting in the Development of Public Sector Accounting Standards, Phase 1	Accounting and Auditing	72,712	72,712	FY 2006
Kosovo	Strengthening Insurance Supervision	Insurance and Pensions	121,499	121,499	FY 2005
	Strengthening Third-Party Liability Motor Insurance System, Phase I	Insurance and Pensions	38,084	38,084	FY 2005
	Strengthening Banking Supervision	Banking	310,000	225,839	FY 2006

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
EUROPE AND CENTRAL ASIA <i>continued</i>					
Kyrgyz Republic	Assistance on the Privatization of Kairat Bank	Banking	262,578	262,578	FY 2003
	Drafting Deposit Insurance Legislation	Banking	22,232	22,232	FY 2004
	Medium-Term Strategy for Micro-Finance Development	SME and Microfinance	136,714	136,714	FY 2005
	Privatization of Kyrgyz Agricultural Finance Corporation	Banking	403,800	232,754	FY 2006
	Modernization of the Postal System	Payment Systems	170,000	2,808	FY 2007
Lithuania	Insurance Supervision Strengthening	Insurance and Pensions	177,275	177,275	FY 2003
	Accounting and Audit Reform	Accounting and Auditing	126,008	126,008	FY 2003
	Effective Application of Audit Standards	Accounting and Auditing	74,099	74,099	FY 2005
Macedonia	Reform of Compulsory Motor Vehicle Insurance System	Insurance and Pensions	294,176	294,176	FY 2004
Moldova	Development of Money Market Instruments	Capital Markets	73,184	73,184	FY 2004
	Strengthening Insurance Supervision	Insurance and Pensions	180,952	180,952	FY 2005
	Development of Money Market Instruments, Implementation	Banking	252,000	80,788	FY 2005
	Corporate Governance Reform	Corporate Governance	270,148	270,148	FY 2005
	Strengthening the Accounting, Auditing, and Financial Reporting Framework	Accounting and Auditing	271,500	235,406	FY 2005
Poland	Access to Long-Term Finance for Rural Communes	Capital Markets	275,367	275,367	FY 2004
Romania	Strengthening the AML Regulations for the Securities Market	Banking	51,504	51,504	FY 2004
Russian Federation	Building Capacity of a Self-Regulatory Organization to Support the Federal Regulator of Pension Funds	Insurance and Pensions	381,343	381,343	FY 2005

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
EUROPE AND CENTRAL ASIA <i>continued</i>					
Slovak Republic	Strengthening Corporate Governance of Listed Companies	Corporate Governance	91,963	91,963	FY 2004
	Technical Assistance to the Financial Market Authority	Capital Markets	93,106	93,106	FY 2004
	Strengthening Bank Corporate Governance	Banking	65,450	65,450	FY 2004
Turkey	Secondary Mortgage Market Development	Housing Finance	382,492	382,492	FY 2005
Ukraine	Assistance to Nonbank Financial Institution Regulator	Capital Markets	133,193	133,193	FY 2003
Regional projects	AML/CFT workshop	Banking	100,067	100,067	FY 2003
	CIS-7 Seminar on Financial Sector Issues	Banking	22,674	22,674	FY 2003
Total for region			7,927,242	6,257,074	
LATIN AMERICA AND CARIBBEAN					
Belize	Central Bank of Belize Organizational Review	Banking	175,539	175,539	FY 2005
Chile	Implementing Risk-Based Supervision in the Securities Industry	Capital Markets	530,000	244,924	FY 2005
	Strengthening Regulation of Pension Funds	Insurance and Pensions	180,292	180,292	FY 2005
	Road Map for Strengthening Solvency Control in the Insurance Industry	Insurance and Pensions	138,195	138,195	FY 2005
	Adoption of International Financial Reporting Standards for Listed Companies	Accounting and Auditing	219,000	42,740	FY 2005
	Implementation of Risk-Based Supervision Model for Insurance Industry	Insurance and Pensions	249,000	0	FY 2007
	Risk-Based Regulation of Pension Funds	Insurance and Pensions	225,000	0	FY 2007

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
LATIN AMERICA AND CARIBBEAN <i>continued</i>					
Colombia	Mortgage Finance Capacity Building	Housing Finance	115,835	115,835	FY 2003
	Developing the Supervisory and Regulatory Framework for Collective Investment Schemes	Capital Markets	216,620	216,620	FY 2004
	Terrorism Loss Insurance Fund	Insurance and Pensions	195,501	195,501	FY 2004
	Money Market Development	Capital Markets	340,000	222,706	FY 2004
	Development of Housing Microfinance	Housing Finance	394,587	394,587	FY 2005
	Enhancement of the Capital Market Self-Regulatory System	Capital Markets	136,248	136,248	FY 2005
	Supervision of Financial Conglomerates	Financial Conglomerates	220,000	0	FY 2007
Costa Rica	Advice on Achieving Compliance with IOSCO MMoU	Capital Markets	72,466	72,466	FY 2005
	Strengthening Public Debt Management and Developing Domestic Debt Market	Capital Markets	532,000	152,364	FY 2006
Dominican Republic	Feasibility Study for Role of the Stock Market in Broadening the Capital Market	Capital Markets	18,845	18,845	FY 2005
El Salvador	Strengthening Public Financial Institutions	Banking Systems	136,124	136,124	FY 2005
	IOSCO Self-Assessment	Capital Markets	46,485	46,485	FY 2005
	Strengthening Framework for Consolidated Supervision of Financial Conglomerates	Financial Conglomerates	182,918	182,918	FY 2005
Mexico	Developing Framework for the Issuance of Catastrophe Bonds	Capital Markets	186,901	186,901	FY 2006
Nicaragua	Design of Management Information Systems for the Nicaraguan Deposit Insurance Agency (FOGADE)	Banking	178,000	25,750	FY 2006
Peru	Improving Risk-Based Management in the CIS Industry	Pensions and Collective Investment Schemes	282,000	171,783	FY 2005

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
LATIN AMERICA AND CARIBBEAN <i>continued</i>					
Peru	Housing Finance Development	Housing Finance	487,103	487,103	FY 2005
	Improving SME Access to the Capital Markets	Capital Markets	630,000	434,249	FY 2005
Regional projects	GAFISUD: AML/CFT Workshop	Capital Markets	34,266	34,266	FY 2003
	Eastern Caribbean Securities Exchange: Technical Assistance to Select and Recruit Custodian to Support Cross-Listings	Capital Markets	79,011	79,011	FY 2003
	Eastern Caribbean Central Bank (ECCB): Improving Payment Systems	Payment Systems	172,773	172,773	FY 2003
	Strengthening the Regulatory and Supervisory Environment for OECS Credit Unions	Financial Sector Diversification	68,551	68,551	FY 2004
	AML/CFT Evaluator Training Workshop for Spanish-Speaking Countries	Banking	44,899	44,899	FY 2004
	ECSE: Development of a Unified Rulebook	Capital Markets	61,512	61,512	FY 2005
	AML/CFT Workshop for Caribbean Regulators of Company and Trust Services Providers	Banking	57,284	57,284	FY 2005
	AML/CFT Workshop for Regulators of Casinos and Internet Gaming Entities	Banking	54,405	54,405	FY 2006
	AML/CFT Workshop for Caribbean Insurance Regulators/Supervisors	Banking	54,230	54,230	FY 2006
	Strengthening Financial Sector Integrity (AML/CFT Workshop)	Banking	46,213	46,213	FY 2003
	Securities Supervisors Leadership Training	Capital Markets	50,135	50,135	FY 2006
	GAFISUD: AML/CFT Assessment Evaluators Training	Banking	55,389	55,389	FY 2005
	Strengthening Credit Reporting Systems	Banking	499,151	496,296	FY 2004
	Regional Insurance Supervisors Leadership Program	Insurance and Pensions	79,360	79,360	FY 2004

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
LATIN AMERICA AND CARIBBEAN <i>continued</i>					
Regional projects, continued	Workshop for Offshore and Onshore Supervisors and Standard Setters	Banking	25,000	0	FY 2007
Regional Total			7,470,841	5,332,503	
MIDDLE EAST AND NORTH AFRICA					
Egypt, Arab Republic of	Project Formulation for Proposed Banking Sector	Banking	20,085	20,085	FY 2004
	Strengthening Egypt's Credit Reporting System	Banking	166,118	166,118	FY 2004
	Strengthening Data Analysis, Supervision of Market Risks, Connected Lending, and Large Exposures	Banking	98,375	98,375	FY 2004
	Strengthening Management and Supervision of Payment Systems	Banking	246,653	246,653	FY 2005
	Credit Reporting System Strengthening	Banking	168,000	146,259	FY 2005
	Upgrading Motor Third-Party Liability Insurance Capacity	Insurance and Pensions	141,811	122,327	FY 2006
Jordan	Actuarial Supervision Capacity Building of the Insurance Commission	Insurance and Pensions	199,743	199,743	FY 2003
	Development of a Supervisory Ladder and Supervisory Strengthening	Insurance and Pensions	120,125	120,125	FY 2005
Lebanon	Review and Drafting of a New Insurance Law	Insurance and Pensions	91,892	91,892	FY 2004
	Capital Markets Supervisory and Regulatory Authority Strengthening	Capital Markets	231,444	231,444	FY 2004
Morocco	Technical Assistance Support for Pension Reform	Insurance and Pensions	152,580	152,580	FY 2004
Regional projects	Regional Training Seminar for Insurance Supervision	Insurance and Pensions	63,072	63,072	FY 2005
Total for region			1,699,897	1,658,672	

PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SOUTH ASIA					
Bangladesh	Insurance Law Reform	Insurance and Pensions	53,035	53,035	FY 2004
	Reducing Interest-Rates Spreads	Banking	34,719	34,719	FY 2004
	Capacity Building for Capital Market Intermediaries	Capital Markets	18,317	18,317	FY 2005
	Household Survey on Remittances	Payment Systems	240,000	0	FY 2007
India	Insurance Tariff Advisory Committee (TAC): Capacity Building for Transition from Uniform Tariff System to Risk-Based Approach	Insurance and Pensions	243,978	243,978	FY 2003
	Expanding Housing Finance Market	Housing Finance	605,000	386,084	FY 2006
	Development of Crop Insurance	Insurance and Pensions	644,000	377,377	FY 2006
Pakistan	Project Design for Assistance to the State Bank of Pakistan	Banking	9,200	9,200	FY 2004
	Development of Banking Sector Uniform Chart of Accounts	Banking	234,619	234,619	FY 2004
	Bank Supervision Risk Assessment Model	Banking	259,000	168,516	FY 2004
Sri Lanka	Regulating Securities Market Intermediaries	Capital Markets	77,503	77,503	FY 2004
	Strengthening Actuarial Supervision Capacity	Insurance and Pensions	36,152	36,152	FY 2004
	Training for the Forex Industry	Banking	29,898	29,898	FY 2004
	Securities and Exchange Commission: Supervision Capacity Strengthening	Capital Markets	226,337	226,337	FY 2004
	Strengthening the Regulatory Framework for Private Pension Funds	Insurance and Pensions	112,623	112,623	FY 2004
	Assistance in Drafting Securitization Act	Capital Markets	200,000	167,710	FY 2005

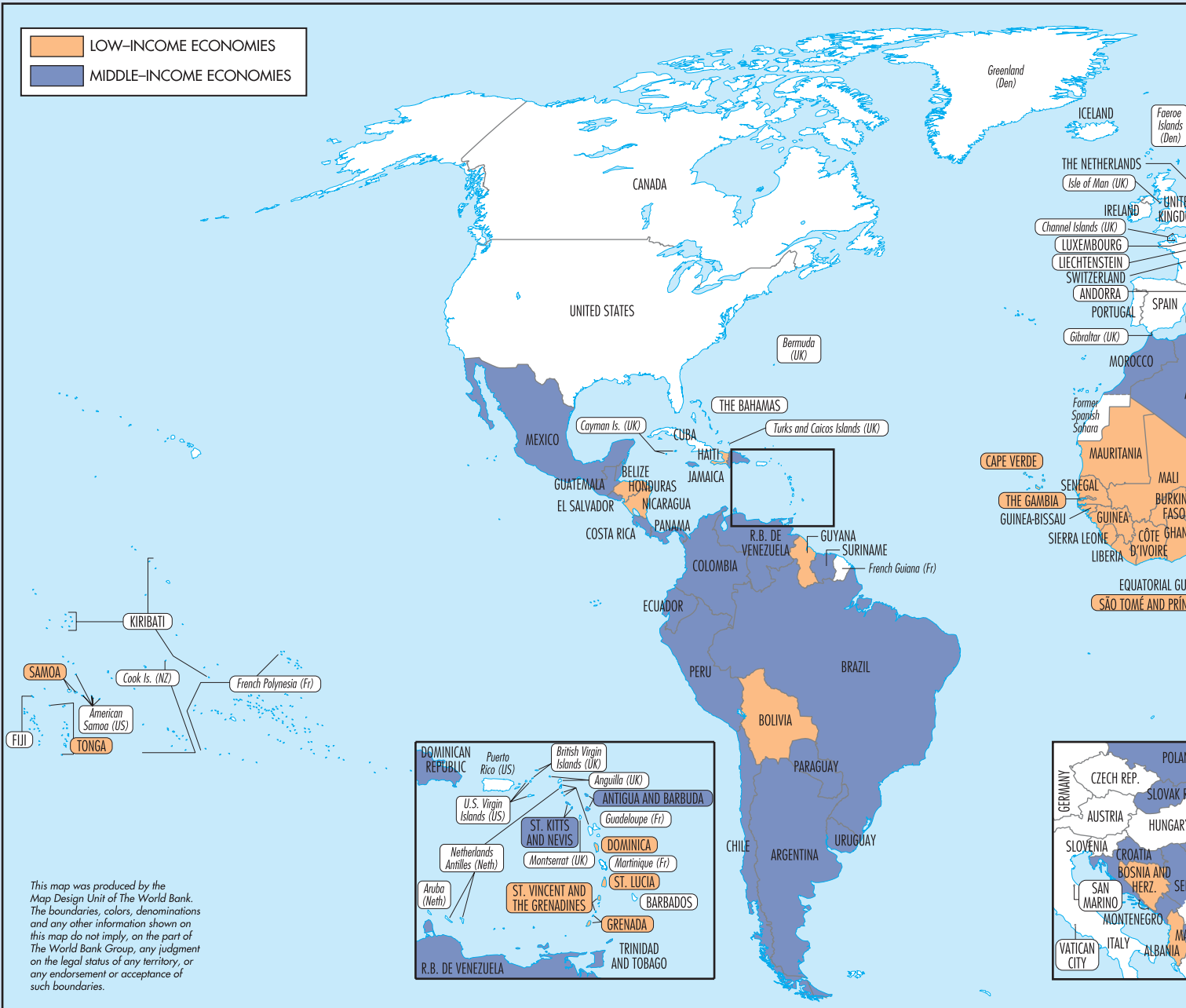
PROJECT COMMITMENTS AND DISBURSEMENTS BY REGION AND COUNTRY
(CUMULATIVE, THROUGH JUNE 30, 2007)

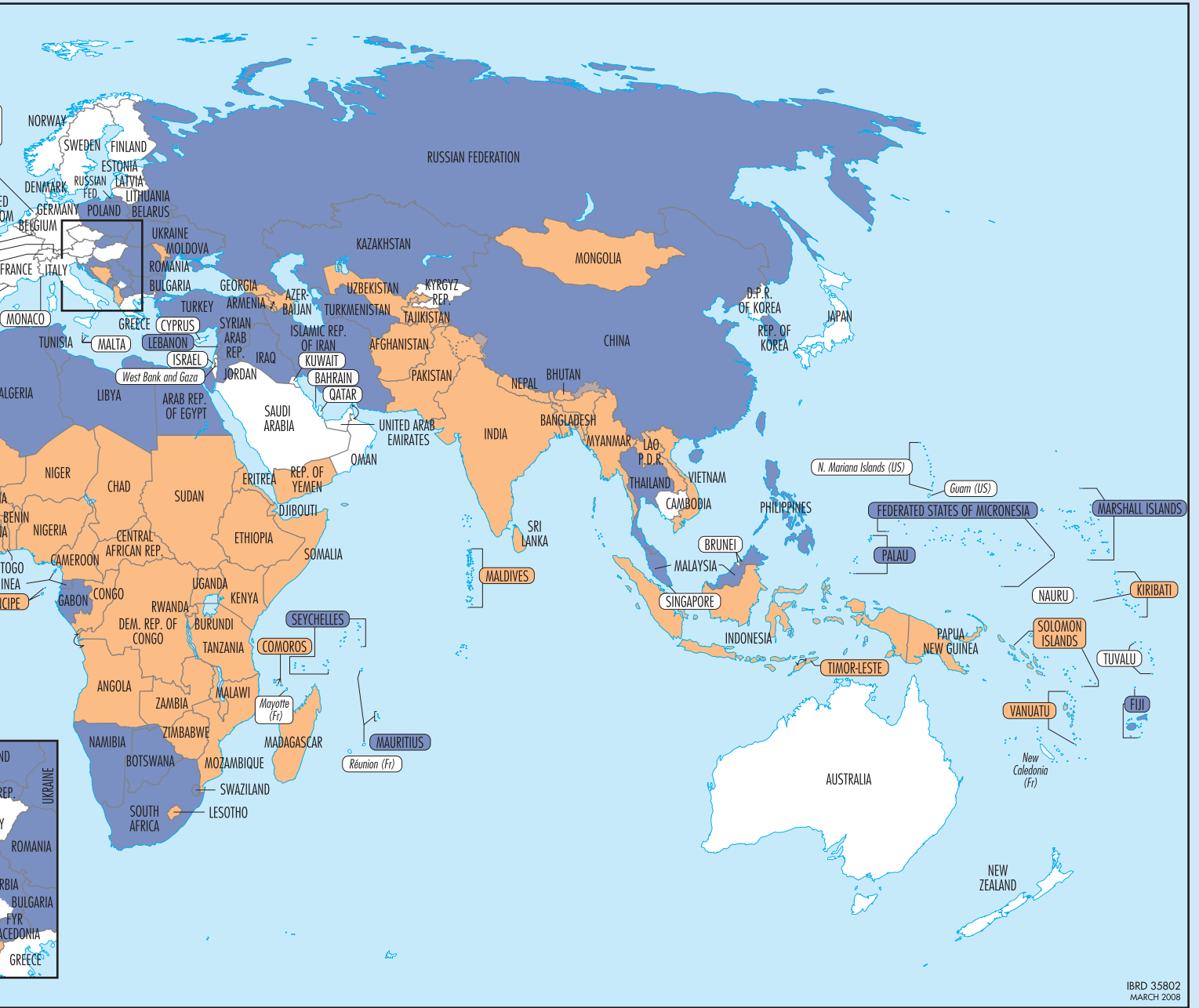
Country/Region	Project Title	Sector	Sector Commitments (in US dollars)	Disbursements (in US dollars)	Year of Approval
SOUTH ASIA <i>continued</i>					
Regional projects	South Asian Federation of Exchanges (SAFE): Strengthening Stock Exchange Listing Regulations in Member Countries	Capital Markets	143,348	143,348	FY 2003
	Developing Model Listings Regulations	Capital Markets	68,355	68,355	FY 2005
	South and East Asia: Workshop for Emerging Financial Intelligence Units	Banking	57,746	57,746	FY 2006
	Professional Risk Managers' International Association: Development of Academies in India and Indonesia	Banking	200,000	0	FY 2006
	AITRI Workshop on IAIS Insurance Core Principles	Insurance and Pensions	170,050	93,610	FY 2007
Total for region			3,663,880	2,539,126	
GLOBAL PROJECTS					
	Islamic Financial Services Board: Strengthening Corporate Governance Standards in Islamic Financial Services Institutions	Corporate Governance	141,560	128,775	FY 2005
	Workshop for International and Offshore Financial Centres' Supervisors	Banking	38,546	38,546	FY 2005
	Development of Guidelines to Assist Developing Countries in the Implementation of FATF Recommendations	Banking	660,000	588,128	FY 2005
	Developmental Implications of International Taxation and AML/CFT Initiatives	Banking	231,850	231,850	FY 2006
	Technical Reserving for Non-Life Insurers	Insurance and Pensions	27,950	27,950	FY 2006
	IFSB Corporate Governance Standards for Islamic Insurance & Investment Funds	Insurance and Pensions	240,000	0	FY 2007
Total for global projects			1,339,906	1,015,249	
GRAND TOTAL			45,306,170	31,032,318	

Note: The total disbursement figure differs from the disbursements reported in the Combined Statement of Cumulative Cash Receipts, Disbursements, and Fund Balance. The difference is accounted for by Development Grant Facility contributions plus interest income of \$1.22 million, which are excluded from the statement's disbursements; and by balances of \$1 million held in external bank accounts and advances, which are included in the statement's disbursements.

ANNEX IV

MAP OF LOW- AND MIDDLE-INCOME COUNTRIES AS DEFINED BY THE WORLD BANK





IBRD 35802
MARCH 2008

PROGRAM MANAGEMENT UNIT

Alexandra Drees-Gross / David Dellen (from November 2007)

Program Manager

Robert Y. Liu

Senior Project Officer

James Browne Rives

Senior Project Officer

Csaba Feher

Project Officer

Enrico Pinali

Project Officer

Roman Didenko

Project Officer

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Project Officer

Olha Krushelnytska

Junior Professional Associate

Dian Marner

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Margaret Portner Johnston

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Patricia Rodriguez

Program Assistant

Jocelyn Severino

Program Assistant



Canadian International
Development Agency

Agence canadienne de
développement international



Schweizerische Eidgenossenschaft
Confédération suisse
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Confederaziun svizra

Swiss Confederation



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Canadian International Development Agency

www.acdi-cida.gc.ca

Department for International Development of the United Kingdom

www.dfid.gov.uk

International Monetary Fund

www.imf.org

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

“The experience we have had with First Initiative is indeed very good. They responded promptly to our requests and were in a position to identify competent consultants in a short period of time.”

—Ipumbu Shiimi, Senior Manager,
Bank Supervision, Bank of Namibia



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AND STRENGTHENING INITIATIVE**
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