

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D C 20523

PD-ART-973

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MM-319

**ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, APRE**

THRU: APRE/EM, Russell Anderson *A*  
FROM: APRE/EM, Rebecca Maestri *RLM*  
SUBJECT: Financial Services Volunteer Corps (940-0017)

**Problem:** The purpose of this Action Memorandum is to request your approval to: (1) extend the Project Assistance Completion Date by one year until 30 September 1992, and; (2) amend the project authorization by increasing the authorized funding by \$400,000 to a new total of \$650,000.

**Background:** FSVC was created on 12 April 1990 in response to President Bush's initiative to encourage volunteerism by the American business community. FSVC's purpose is to assist emerging governments in Central and Eastern Europe and other appropriate countries throughout the world by applying the talent and expertise of American financial sector professionals to promote private sector growth in these countries. Specifically, FSVC's goal is to seek out the financial problems of emerging democracies, especially in the private sector, and focus on specific, practical areas for assistance. In addition, FSVC endeavors to identify those individuals from within the United States financial community and the emerging democracies who together can create structures and solutions to further the success of the free-market economies within each country.

Towards these ends, A.I.D. awarded a grant in the amount of \$250,000, on 31 August 1990, to support the FSVC effort to sponsor missions to emerging democracies to offer expert advice and other assistance in each host country's effort to implement democratic principles, develop free-market economies, and promote general economic development.

In the first 10 months of its existence, FSVC conducted lead missions to Poland, Hungary, Yugoslavia, and Czechoslovakia. Each mission was composed of a team of volunteer professionals from the commercial and investment banking, securities, legal, accounting, and business communities. Reports were prepared after each mission, detailing the team's observations and findings, and offering specific recommendations as well as offers of assistance for establishing banking systems, creating capital markets, and carrying out privatization. The most objective measure of the success of each mission has been subsequent

requests for assistance from the private sector in each country as well as each of the four governments. The real achievements of FSVC's program will stem from the ability of such follow-up missions and U.S. based training program to implement the findings and objectives identified during the lead missions.

**Discussion:** FSVC activities performed since September 1990 have substantially drawn against the initial FY 90 grant amount of \$250,000.

Based upon the activities and accomplishments, the FSVC Board of Directors has determined that FSVC should continue to expand the number and scope of its programs to respond to the increasing number of requests for technical assistance. In order to continue operations and expand its program of providing technical assistance and U.S. based training, the FSVC requires additional funding support from A.I.D.

It is the intention of the Bureau for Europe and Near East to request a project authorization amendment in FY 91 in the amount of \$1,000,000 in order to continue FSVC operations in Eastern and Central Europe. The \$400,000 requested in this action serves two purposes: (1) assures the uninterrupted services of the FSVC until the ENE money becomes available (not later than 28 June 1991), and; (2) assures that funds are available for FSVC to work in countries outside the ENE geographic region, e.g. the FSVC is presently responding to requests for technical assistance in Indonesia and Mongolia.

**Congressional Notification:** A technical notification was submitted to Congress on 11 April and expired without exception on 26 April

**Recommendation:** By signing the attached Project Authorization Amendment you increase the total authorized funding amount of the FSVC grant by \$400,000 to a new total of \$650,000 and extend the Project Assistance Completion Date by one year from 30 September 1991 to 30 September 1992.

**Attachments:**

Project Authorization Amendment

APRE/EM:RMaestri<sup>26</sup>:7-7474:4/5/91:U:\EMPUB\DOC\FSVCAM.AA

CLEARANCES:

APRE/EM:DCowles draft date 4/8/91

APRE/GC:RMeighan in file date 5/2/91

APRE/DR/PD:W Elliot draft date 4/30/91

APRE/PFM:PDavis draft date 5/1/91

DAA/APRE:GLaudato \_\_\_\_\_ date \_\_\_\_\_

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON D C 20523

April 26, 1991

FIRST PROJECT AUTHORIZATION AMENDMENT

Name of Countries: Selected Central and Eastern European  
and Developing Countries

Number of Project: 940-0017

Name of Project: Financial Services Volunteer Corps  
(FSVC)

Name of Grantee: Financial Services Volunteer Corps, Inc.

1. Pursuant to sections 103 and 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the first amendment to the authorization for the Financial Services Volunteer Corps project to increase the authorized grant amount by four hundred thousand United States dollars (\$400,000) to a total of \$650,000, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process; and to extend the project assistance completion date from 30 September 1991 to 30 September 1992.

2. Except as hereby amended, the Project Authorization of 30 May 1990 shall remain in full force and effect.

May 3 1991  
Date



Henrietta Holsman Fore  
Assistant Administrator  
Bureau for Asia and Private Enterprise

April 26, 1991

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MAY - 3 1991  
Date

Original signed by  
George A. Laudato *for*  
\_\_\_\_\_  
Henrietta Holsman Fore  
Assistant Administrator  
Bureau for Asia and Private Enterprise

Clearance:

APRE/EM:DCowles draft date \_\_\_\_\_

APRE/EM:Randerson R date 4/26/91

APRE/GC:RMeighan RM date 5/1/91

APRE/FPM:PDavis PD date 5/1/91 - see note on action memo.

APRE.DR/PD:Welliott W date 4/30/91

DAA/APRE:GLaudato GL date 4-3

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