

Agency for International Development
Washington, D.C. 20523

PD-ABH-974
26849

JUN 24 1991

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, APRE

THRU: APRE/EM, Russell Anderson *RA*
FROM: APRE/EM, Rebecca Maestri *RM*
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 27 months until 31 December 1994, and; (2) amend the project authorization by increasing the authorized funding by \$2,950,000 to a new total of \$3,600,000.

Background: The Financial Services Volunteer Corps (FSVC) was first authorized on May 30, 1990, in the amount of \$250,000. The first authorization amendment, which added \$400,000 to the project, was signed on May 3, 1991.

In the first 12 months of its existence, the Financial Services Volunteer Corps (FSVC) conducted lead missions to Poland, Hungary, Yugoslavia, Czechoslovakia, and Mongolia. (Bulgaria is being scheduled for July, 1991.) 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 five governments. The real achievements of FSVC's program will stem from the ability of such follow-up missions and U.S. based training programs to implement the findings and objectives identified during the lead missions.

Discussion: Based upon its activities and accomplishments, 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., as well as an extended project assistance completion date.

The Bureau for Europe and Near East is executing a \$1,000,000 FY91 OYB transfer to APRE for the purpose of continuing the

provision of FSVC technical assistance to the countries of Central and Eastern Europe, and plans to add \$1,000,000 to the FSVC project in FY92. APRE is planning to add \$450,000 in FY92 and \$500,000 in FY93 to its existing obligation of \$650,000, bringing the overall project funding level to \$3,600,000.

Funding from APRE in FY92 and FY93 (totaling \$950,000) is to expand the FSVC program to a greater number of countries outside of Eastern and Central Europe. Expressions of interest have been received from countries such as Indonesia and Mongolia. A team is in Mongolia conducting an assessment of its financial sector needs. The FSVC project will continue to examine the applicability and receptivity of its financial sector expertise in countries throughout the developing world.

Congressional Notification: A Congressional Notification (CN) has been sent to Congress and is expected to expire without exception on or about July 10th.

Recommendation: By signing the attached Project Authorization Amendment you increase the total authorized funding amount of the FSVC grant by \$2,950,000 to a new total of \$3,600,000 and extend the Project Assistance Completion Date by 27 months from September 30, 1992 to December 31, 1994.

CLEARANCES:

APRE/EM:MLikar ML date 6/18
APRE/GC:RMeighan .. date 6/21
APRE/DR/PD:WELLIOT denied date 6/19
APRE/PFM:PDavis for JLA date 6/17
DAA/APRE:GLaudato JLA date JUN 24 1991

SECOND PROJECT AUTHORIZATION AMENDMENT

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

Number of Project: 940-0017

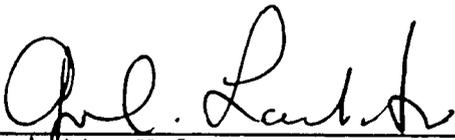
Name of Project: Financial Services Volunteer Corps
(FSVC)

Name of Grantee: Financial Services Volunteer Corps, Inc.

1. I hereby authorize the second amendment to the authorization for the Financial Services Volunteer Corps project to increase the authorized grant amount by two million nine hundred-fifty thousand United States dollars (\$2,950,000) to a total of \$3,600,000, 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 September 30, 1992 to December 31, 1994. This additional funding may come from funds appropriated under the Foreign Assistance Act of 1961, as amended, or the Support for East European Democracies Act of 1989, as amended.

2. Except as hereby amended, the Project Authorization of May 30, 1990, as amended on April 26, 1991, shall remain in full force and effect.

6-24-91
Date



Henrietta Holsman Fore
Assistant Administrator
Bureau for Asia and Private Enterprise

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Clearance:

APRE/EM:MLikar ML date 6/18
APRE/EM:RAnderson A date 6/24
APRE/GC:RMeighan RMS date 6/21
APRE/FPM:PDavis in file date 6/21
APRE/DR/PD:WELLIott draft date 2/19
DAA/APRE:GLaudato G date JUN 21 91