



OFFICE OF
INTERNATIONAL
AFFAIRS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PD-ART-979
110859

August 2, 2001

United States Agency for International Development
M/FM/CMP/GIB
Ronald Reagan Building - 7.07-131
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20523-7700

Attn: Financial Services Component Manager

Re: Participating Agency Service Agreement
Project Number 386-0531

Dear Sirs:

Pursuant to the above referenced PASA, the U.S. Securities and Exchange Commission, I enclose a manually signed original and two copies of the SEC's Report for the quarter ending June 30, 2001.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert D. Strahota".

Robert D. Strahota
Assistant Director

Enclosures

Cc: Ashok Jha and Christine Lyons, USAID/New Delhi, India

REPORT OF THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) TO THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (“USAID”) CONCERNING TECHNICAL ASSISTANCE TO INDIA UNDER THE FINANCIAL INSTITUTIONS REFORMS AND EXPANSION PROJECT, PHASE II

**PASA NUMBER 386-P-00-01-00087-00
PROJECT NUMBER 386-0531**

FOR THE QUARTER ENDED JUNE 30,2001

The Securities and Exchange Commission (SEC) provides technical assistance to India pursuant to a Participating Agency Service Agreement (PASA) with the U.S. Agency for International Development (USAID) dated May 4,2001. This report describes the SEC’s activities under the PASA for the quarter ending June 30,2001.

ACTIVITIES DURING THE QUARTER

Following execution of the PASA, Ester Saverson, Jr. and Robert D. Strahota, Assistant Directors in SEC’s Office of International Affairs, met with USAID officials in Washington, and with representatives of Price Waterhouse Coopers, the USAID private sector contractor, to discuss preparation of work plans and coordination of their assistance activities. A draft of the SEC’s work plan was subsequently submitted to USAID India and USAID Washington.

During the quarter, the SEC was contacted by World Bank/IMF officials who requested that the SEC provide a staff member to participate in an assessment mission that WorldBank/IMF was undertaking with respect to India’s capital market and regulatory infrastructure. The SEC believed that this mission also would provide a good opportunity to make initial contacts with Indian capital markets officials and discuss work to be undertaken pursuant to the PASA. Accordingly, with USAID’s approval, Arthur B. Laby, an Assistant General Counsel in the SEC’s Office of General Counsel, participated in the World Bank/IMF mission in India for approximately two weeks during the quarter, and also met separately with USAID and Securities Exchange Board of India (SEBI) officials regarding assistance to be provided under the PASA. In accordance with his agreed participation in the mission, Mr. Laby drafted one of the Appendices to the mission report, which addresses governance issues at the SEBI, including issues related to SEBI’s independence, authority, and use of discretion. A copy of the Appendix will be provided separately once it is complete.’

REIMBURSABLE SEC STAFF TIME AND EXPENSES

The following SEC staff members rendered reimbursable assistance during the quarter:

Arthur Laby, Office of the General Counsel	100 hours
Ester Saverson, Office of International Affairs	12 hours
Robert Strahota, Office of International Affairs	<u>4 hours</u>
TOTAL	116 hours

Based upon the composite hourly rate of \$62.76 per hour, as established under the PASA, the SEC’s reimbursable time charges incurred during the quarter were \$7,280. Inclusive of the 15%

¹ Expenditures associated with Mr. Laby’s travel will be reflected in the SEC’s next quarterly report.

G&A factor, the SEC will submit a claim for reimbursement of \$8,372 for the third quarter of FY2001.

Respectfully submitted,



Robert D. Strahota
Assistant Director
Office of International Affairs

Financial Report

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