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FSVC
FINANCIAL SERVICES
VOLUNTEER CORPS

Newsletter

FSVC Facilitates On-Site Examinations of Money Transfer Businesses in Somalia



FSVC is helping to build the capacity of the Central Bank of Somalia to conduct AML/CFT exams; Mogadishu, March 2018.

Significant progress has been made in strengthening the capacity of the Central Bank of Somalia (CBS) to supervise the anti-money laundering/combating the financing of terrorism (AML/CFT) compliance of money transfer businesses (MTBs).

In February and March, FSVC's long-term mentors in Mogadishu began participating in the on-site examinations of MTBs. This has enabled them to observe first-hand how CBS examiners implement in practice the knowledge and tools

gained from FSVC. FSVC's mentors are also able to give constructive advice on how to encourage MTB compliance with international AML/CFT best practices.

FSVC's participation has already contributed to a stronger on-site AML/CFT examination process in Somalia. These on-site examinations are an important achievement for the CBS and a testament to the international community of the progress being made by Somalia in adopting reforms.

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Tunisia: Using Open Data to Advance Government Transparency

FSVC implemented several projects in February to support the disclosure of government information in Open Government Data (OGD) formats to help strengthen public transparency and accountability in Tunisia. OGD is an international philosophy and approach to improving public availability of government information. OGD enables people to use, reuse and distribute freely datasets to hold their governments accountable for public expenditures.



FSVC is helping the Tunisian government implement Open Government Data policies to promote transparency of government information; Tunis, February 2018.

To help the Tunisian government transition to an OGD format, FSVC volunteer experts met with several government institutions, including the E-Gov unit, the Ministry of Transport, the Tunisian Office of Trade and several municipalities located in the inner regions of the country. During these consultations, FSVC first identified several datasets and then established a migration plan on how to convert them into OGD formats. These

“Open” formats are critical for enhancing public access to government information. OGD increases transparency and open governance, creates an environment of collaboration and trust between citizens and their governments, and helps measure the impact of public policies through data analysis.

Moldova: Building a Communications Strategy for the Central Securities Depository



FSVC volunteer experts and consultants working with NBM staff to develop a communications strategy; Chisinau, March 2018.

FSVC has been helping the National Bank of Moldova (NBM) to establish a single Central Securities Depository (CSD) for government, central bank and corporate securities in Moldova. The creation of a single CSD will help ensure that securities are safely housed in one location, where

transactions can be easily cleared and settled electronically.

This is an important step in helping to restore public confidence in the financial sector after Moldova's 2014 banking crisis. The NBM therefore requested FSVC's assistance in communicating the measures it is taking to safeguard the country's economy, in particular the new CSD. In March, FSVC volunteer experts helped develop a communications plan and strategy for the launch of the new CSD, including designing a press release, reaching out to the appropriate media channels, organizing a press conference and preparing NBM staff to respond to difficult questions from the press and the public. As a result, the NBM is prepared to communicate openly and effectively with the public once the CSD launches.

Swaziland: Promoting Civil Society Engagement

In February, FSVC delivered its first project in Swaziland to strengthen the capacity of civil society organizations (CSOs) to advocate on behalf of citizens for budget reforms and increased government accountability.

Swaziland is an absolute monarchy, where citizens traditionally have had little civic engagement on budget and policy issues. In 2017, Swaziland scored only 3/100 on the International Budget Partnership's Open Budget Survey, an independent, comparative assessment of three pillars of public budget accountability: transparency, oversight and public participation.

To help address these issues, the Co-ordinating Assembly of NGOs (CANGO) requested training in budget and expenditure monitoring. CANGO is a local organization that has made progress in recent years by strengthening civil society and coordinating advocacy efforts in Swaziland.

To increase civic engagement, FSVC volunteer experts traveled to Mbabane, Swaziland, to train representatives from CANGO in collecting data on



FSVC volunteer expert Brenda Morrison (standing) leads a conversation with CANGO members on budget advocacy; Mbabane, February 2018.

budget issues and analyzing research results. The volunteer experts also guided participants on how to translate their findings into reports suitable for policymakers and the general public. This project was an important first step toward building the capacity of CSOs to more effectively advocate on behalf of citizens, and engage the government to influence policymaking decisions regarding budget priorities.

Marshall Islands: Strengthening Bank Examinations



FSVC volunteer experts Curtis Faulkner (back row, center) and Frank Hartigan (back row, second from right); Majuro, December 2017.

Since 2016, FSVC has worked to strengthen the financial sector of the Republic of the Marshall Islands (RMI). As part of these efforts, FSVC volunteer experts guided the RMI Banking Commission in how to conduct prudential

examinations of commercial banks. The volunteer experts conducted two weeks of consultations to assist the RMI Banking Commission in reviewing off-site and on-site exam procedures, and the existing manual for prudential supervision. They also shared U.S. examination best practices for off-site and on-site examinations, in preparation for the Banking Commission's upcoming examination of a local branch of the Bank of Guam.

By strengthening the RMI's ability to conduct bank examinations, FSVC is helping to create a more stable and transparent banking sector that is compliant with international standards. This is especially important as the RMI seeks to maintain its current correspondent banking relationships with foreign financial institutions.

Ukraine: Supporting SME Access to Finance



FSVC volunteer experts Allan Kauders (middle) and Mark Beppler (right) discuss SME lending practices with Megabank staff; Kharkiv, February 2018.

FSVC is working to promote access to finance for small and medium-sized enterprises (SMEs) in Ukraine by strengthening the commercial banking sector. SMEs are a key driver of innovation and economic growth in Ukraine, as they help create jobs and new business opportunities.

As part of its program, FSVC is working with a local bank, Megabank, to develop its SME lending portfolio. In February, FSVC volunteer experts traveled to Kharkiv to provide practical, hands-on advice on SME market segmentation, and SME-specific products and services that can target and attract SME customers in the community. The volunteer experts reviewed the bank's current segmentation strategy and provided feedback on the existing processes in place to assess the credit worthiness of potential borrowers. FSVC then provided Megabank's senior executive management with recommendations on how to best identify and approach new SME customers.

Improving Megabank's SME portfolio will not only help the bank's profitability, but also help expand access to financial services for SMEs in Ukraine. Increased access to finance will enable SMEs to grow their businesses, which will help create new job opportunities and contribute to economic growth.

Morocco: Promoting Entrepreneurship and Small Business Growth

FSVC has launched a program (called "Gazelles Al Maghrib") to promote entrepreneurship and small businesses in Morocco. Gazelles are high-growth companies that increase their revenues by at least 20% annually over a period of 4 years or more. Gazelles are associated with above-average rates of job creation and wealth creation, as international research suggests that gazelles create 38% of all new jobs.

In December 2017, FSVC and its local partner LixCap identified approximately 30 start-ups and SMEs that could potentially be included in the program, and receive targeted technical assistance to become a gazelle. In January 2018, FSVC volunteer experts and local business incubators met with each of these 30 candidates in Casablanca, to identify issues preventing them from generating greater revenue and obtaining capital investment or loans. The volunteer experts then drafted a detailed diagnostic that highlighted each enterprise's



FSVC volunteer experts John Glazer (middle) and John Dorland (right) meet with entrepreneurs and small business owners; Casablanca, January 2018.

specific needs. This diagnostic will serve as a roadmap for the remainder of the program, and will help provide practical, tailored business solutions to support promising local enterprises.

Two New Members Elected to FSVC's Board

Adam Szubin and Eunice Panetta have been elected to FSVC's Board of Directors. Mr. Szubin is currently Of Counsel at Sullivan & Cromwell LLP, where he focuses his practice on financial services and national security. Previously he served as Acting Under Secretary for Terrorism and Financial Intelligence at the U.S. Department of the Treasury. Ms. Panetta is currently Vice Chair of the Board of The Trustees of Reservations, a non-profit land conservation group dedicated to preserving natural and historic places in Massachusetts. She chaired the Board of Phillips Exeter Academy from 2015-2017, and previously worked for many years in senior positions in the hedge fund industry.

Regarding their recent election, FSVC President & CEO Andrew Spindler stated, "Adam and



Adam Szubin and Eunice Panetta join FSVC's Board of Directors.

Eunice have both been outstanding supporters of FSVC's work over a number of years, and each brings a wealth of knowledge and experience to our efforts. They are great additions to FSVC's Board and help ensure a next generation of leadership to oversee the organization's work."

Volunteer Spotlight: Interview with FSVC Volunteer Expert Michael Messier



U.S. Rep. Scott Peters (left) presents Michael Messier (right) with the 2017 VEGA Volunteer of the Year Award; Washington, D.C., December 5, 2017.

In December 2017, FSVC volunteer expert Michael Messier received the 2017 Volunteers for Economic Growth Alliance (VEGA) Volunteer of the Year Award. Mr. Messier was a Special Agent with the U.S. Drug Enforcement Administration (DEA) for over 15 years, and is an expert in AML/CFT supervision. We sat down with Mr. Messier to hear his perspective on why he volunteers with FSVC.

Q: When did you start volunteering for FSVC and how many assignments have you completed?

I was introduced to FSVC by a work associate from the DEA. My first assignment was in 2015 in Uganda where I provided AML/CFT training to regulators, law enforcement and compliance executives of financial institutions. Since then I have participated in two more AML/CFT projects in Jordan and one in Dubai.

Q: What motivates you to volunteer for FSVC?

One factor is a sense of adventure and curiosity. When I was first presented with the opportunity to volunteer in Uganda, I knew it would be at the very least interesting and enlightening on both a professional and personal basis. Another factor is being able to interact with men and women who work tirelessly to improve their country's regulatory and legal systems. It is truly motivating to work with these individuals who strive to make a difference.

Q: What do you think potential volunteers and/or funders should know about FSVC?

If you ever have the opportunity to volunteer your time and expertise to an FSVC project, don't hesitate to do so! As a volunteer, you will have the unique opportunity to interact with foreign counterparts, exchange ideas, build cultural bridges and broaden your perspective and knowledge. Funders of FSVC projects can rest assured that their contributions will be recognized in the form of goodwill, and know that they have supported the global efforts of motivated individuals fighting for such worthy causes.



Upcoming Volunteer Opportunities

Albania

- Consultations to Establish a Bank Resolution Unit in the Bank of Albania (BoA) – Q2 2018
- Training to Enhance the Supervisory Process on Operational Risk for the BoA – Q2 2018
- Training to Build the Capacity of the Newly-Established Bank Resolution Unit Staff at the BoA – Q2 2018
- Assist the General Directorate of Taxation in Campaign against Informal Financial Sector – Q2 2018

Angola

- Strengthening Parliamentary Oversight of Budget Cycle and Budget Calendar – Q2 2018
- Consultations for Parliament to Develop Budget Indicators – Q2 2018
- Workshop for Supreme Audit Institution (NCA) on Government Budget Audit Principles – Q2 2018
- Consultations for NCA to Develop Mock Audit of Education and Health – Q2 2018
- Training for Parliament in the Adoption of Budget Advisory Techniques – Q2 2018

Moldova

- Assist National Bank of Moldova (NBM) in Making Single Central Securities Depository (CSD) Operational – Q2 2018
- Assess Feasibility of In-Country Domestic Card Switching Capability – Q2 2018
- Workshop for Civil Society Organizations (CSOs) on Developing Transparency Rating System – Q2 2018
- Workshop for Ministry of Finance on Budget Proposal Reporting – Q2 2018

Swaziland

- Training for Members of Parliament on Budget Literacy – Q3 2018
- Workshop for Members of Parliament on Budget Approval and Oversight – Q3 2018

Tunisia

- Hackathons to Develop Open Government Data (OGD)-based IT Applications – Q2 2018
- Public-Private Roundtables on Identifying Government Datasets for OGD Disclosure – Q2 2018
- Consultations with Municipalities on Designing OGD Web-Template (Southern Region) – Q3 2018
- Consultations with Municipalities on Designing OGD Web-Template (Western Region) – Q3 2018

About Us

The Financial Services Volunteer Corps (FSVC) is a not-for-profit, public-private partnership that helps strengthen financial sectors in developing and emerging market countries. It does so with the ultimate aim of promoting job creation, economic growth and a better quality of life. FSVC structures practical technical assistance and training missions staffed by senior financial sector professionals who serve as unpaid volunteer experts. Over the past 28 years, more than 9,500 volunteer experts from the international financial, legal and regulatory communities have taken part in 3,000 missions, helping millions of people in 65 countries.