



Financial Sector Reform and Strengthening Initiative (FIRST)

Supporting financial sector reform globally

Rationale

The financial sector is at the heart of economic activity and a crucial building block for private sector development. It contributes to macroeconomic stability, helps mobilizing domestic and external savings, and fosters the efficient allocation of capital into productive investments.

In recent years the vital role of the financial sector for development has become increasingly clear. There is now a solid body of evidence showing how well regulated and diverse financial sectors can make an important contribution to economic growth and poverty reduction, for instance through improving the use of domestic resources or widening the access of poor people to financial products and services. Conversely, weak and ill-regulated financial sectors can have disruptive consequences for economic growth as past and recent financial crises have demonstrated.

The Financial Sector Reform and Strengthening (FIRST) Initiative was launched in 2002 as a multi-donor grant facility to respond to countries' growing interest in strengthening their financial sectors, including ensuring systematic follow-up of the Financial Sector Assessment Program (FSAP).

Objectives and activities

The overall objective of the FIRST Initiative is to support economic growth and reduce poverty and income inequality in low- and middle-income countries by promoting robust and diverse financial sectors. FIRST focuses on delivering high quality technical assistance in the short to medium term. It does so quickly and flexibly. It facilitates the systematic follow-up of the recommendations from the World Bank and International Monetary Fund's Financial Sector Assessment Programs (FSAP) and to Reports on the Observance of Standards and Codes (ROSC).

The initiative has been instrumental in designing strategies to implement the recommendations that emerge from these diagnostics.

FIRST supports activities mainly in the public sector, principally by providing technical assistance to policy makers and regulatory bodies. The emphasis is on legal, regulatory and supervisory frameworks, financial sector reform strategy and policy advice, market development and institution building, and crisis preparedness and contingency planning.

Country/region
Global

Executing agency
IMF, World Bank

Partners
Germany,
Netherlands,
Switzerland,

Duration
2018 to 2022
(Phase IV)

Total budget
USD 22 million

SECO contribution
CHF 16 million



Strengthening Financial Sectors

Governance Structure

FIRST is governed by a Governing Council that includes all bilateral donors, the World Bank and the IMF. A dedicated Program Secretariat, located in Washington, DC, manages day-to-day operations. Projects are implemented by World Bank and IMF staff and expert consultants.

Results so far

FIRST has established a distinct role in financial sector development as a provider of both technical assistance projects as well as – more recently – more comprehensive reform programs. Since its inception in 2003, FIRST has carried out more than 700 projects in over 120 low and middle-income countries. Since then and until June 2016, FIRST has disbursed over USD 150 million in support of financial sector development in low and middle-income countries. During Phase III, 184 projects and programs have been approved; worth USD 77.7 million.

How to get involved

The FIRST initiative follows a demand-driven approach. The initiative is open to all low- and middle-income countries (as classified by the World Bank). To qualify for FIRST support, project proposals must be submitted directly to FIRST.

Further information and contact details

Website: www.firstinitiative.org Email: first@worldbank.org

Contact at SECO:

FIRST Coordinator at SECO:

Tel.: +41 31 324 07 94 or +41 58 466 34 99

Email: wemu.sekretariat@seco.admin.ch