



The Financial Sector Reform and Strengthening Initiative

CLIENT SURVEY REPORT

April, 2015

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1. BACKGROUND

Systemic Client Survey is an important element of FIRST's Results Measurement and Knowledge Management agenda which was adopted in FIRST's Phase III Strategy. This refers to the internal, self-administered surveys conducted when the project is completed. This exercise helps FIRST to gather evidence on quality, relevance, usefulness of technical assistance (TA), implementation progress, follow-on TA needs, and lessons learned.

In February 2015, a survey was sent to clients for projects completed in 2013 and 2014 as an opportunity for gathering their feedback and lessons learned to help FIRST improve future work. Details of the survey is summarized below.

2. METHODOLOGY

The survey was conducted through self-administered emails, customized to the individual TAs recipients identified through FIRST's proposals and/or WB Operational Portal.

Survey Questions

The survey was designed taking into account the scope of FIRST's TA and time needed for TA implementation. It was designed with more of open-ended questions to accommodate diverse views from clients on lessons learned and their opinions on what was the most useful part of TA. The survey included seven questions, focusing on aspects such as assessment of TA deliverables along key dimensions (*timeliness, supervisory methodologies/tools/manuals provided, legal drafting/amendments, training, and consultant/WBG staff performance*), client's opinion on what worked well, what could have been done differently, and forward looking views (please see Annex 1 for Survey Questionnaires).

Survey Scope (Sampling)

A total of 89 WBG-implemented projects were completed during 2013-2014. Of these, 8 projects are related to the Financial Sector Development Strategy and will be covered in a separate survey for the Lessons Learned Series. Another 10 projects that have been recently featured as success stories, were also excluded from this survey. The total surveys set out was 71, of which 27 responded for the response rate of 38%, which is similar to FIRST's previous independent Client Survey conducted in 2010.

Response Rate

The overall response rate was 38%, which compares well with general survey practice. In order to mitigate any selection bias concern, the team compared the survey results and the Grant Reporting and Monitoring (GRM) and Activity Completion Summary (ACS) ratings. It was found that among 27 clients who responded, 8 clients had the technical assistance received rated as *Moderately Effective*, while out of 44 clients who did not respond, 30 clients had rated the technical assistance received as *Effective* or *Very Effective* (source: Project Completion Reports—GRMs and ACS).

Response Rate, By Region

Region	Surveys Sent (#)	Response (#)	Response Rate (%)
AFR	17	5	29%
EAP	9	4	44%
ECA	20	5	25%
LAC	15	6	40%
MNA	7	5	71%
SAR	3	2	67%
Total	71	27	38%

Limitation

The total number of surveys sent and responded per sector is too small for drawing conclusions at the sectoral level, this will be done once more surveys are collected at the completion of the current active projects.

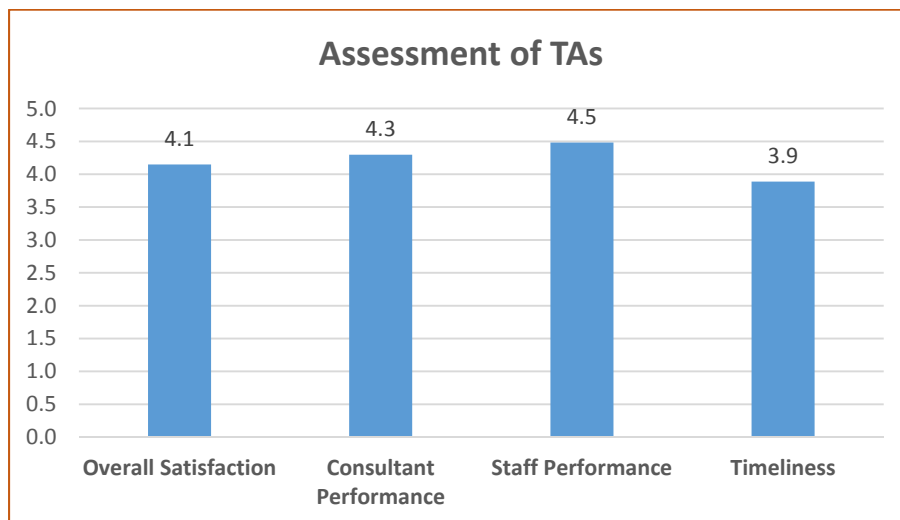
Response Rate, By Sector

Row Labels	Surveys Sent (#)	Response (#)	Response Rate (%)
A&A	8	2	25%
Banking	8	2	25%
Capital Markets	8	3	38%
Collateral Registry	2	0	n.a.
Consumer Protection	2	0	n.a.
Credit Reporting	2	0	n.a.
Housing Finance	2	0	n.a.
Insurance/Pensions	19	13	68%
Macroprudential	11	2	18%
Microfinance	3	1	33%
Payments	6	4	67%
Total	71	27	38%

3. FINDINGS

Assessment of TA Deliverables

As shown in the Chart below, the overall average satisfaction rating was **4.1/5**. This rating comprised of several dimensions such as timeliness of TA deliverables, usefulness of recommendations, and performance of consultants/WB staff. Consistently across sectors, high level of satisfaction was given to both WBG staff (average **4.5/5**) and consultants (average of **4.3/5**). However, clients were less satisfied with the timeliness of deliverables, explaining by the delay or much delay compared with initial schedules.



TA Effectiveness

The level of implementation is impressive across, with **89%** of clients reporting some level of implementation (partly, or substantially). The catalytic results have been encouraging, with **56%** of clients reporting that the TA has helped them initiate new reforms, which are being implemented by clients themselves and/or with the support from WBG and/or other development partners.

What parts of TAs were most useful? Clients were asked to choose what parts of TA were most useful and below are some selected response.

- Accounting & Auditing:
 - ✓ *“The knowledge gained from the technical and hands-on training by international consultants have helped us to perform audit inspection effectively. The SEC is now widely recognized as a trustworthy and effective independent audit regulator as evidenced by (i) the acceptance to the membership of the International Forum of Audit Regulators; (ii) the increase in ranking in Corporate Governance among Asian capital markets due to a great improvement in the accounting and auditing; and (iii) the acknowledgement from the European Commission that the SEC’s audit oversight system is equivalent to that of the EU member states.” Mr. Thawatchai Kiatkwankuk, Director of Accounting Supervision Department, Securities & Exchange Commission of **Thailand**.*
- Banking:
 - ✓ *“The first-hand knowledge of a complex model building experience (Financial Projection Model) helps improve our aptitude and problem solving capacity, helps us identify and assess issues and precisely forecast their impacts over future periods.” Mr. Mohammad Muzahidul Anam Khan, Deputy Director, **Bangladesh** Bank.*
- Capital Markets:
 - ✓ *“The guidance of experts is of high important for the Central Bank of Armenia. In particular, the Feasibility Study for selected capital market products have led to new projects in the areas of securitization and covered bonds.” Mr. Karen Hakobyan, Head of Securities Market Regulation Division, Central Bank of **Armenia**.*
- Insurance/Pensions:
 - ✓ *“In evaluating the investment policy framework for Pillar II Pension System in Armenia, the TA provided a valuable support by involving highly distinguished professionals in the spheres of pension finance. The consultants presented the Pensionmetrics, a software designed to project pension outcomes at the individual participant level in a defined contribution pension system. This helped us to gain additional insights on the mechanism through which accumulation and decumulation phases can be linked, and the pension system can be designed from back to the front, having in mind the targets of living standard of the plan member in the retirement lifetime. Overall, the TA has provided us with valuable policy advice, which helped us adopt important legislation.” Mr. Nerses Yeritsyan, Deputy Governor, Central Bank of **Armenia**.*
 - ✓ *“We were pleased with the TA as a whole and we found most useful the analyses of insurance companies’ financial statements.” Mr. Raoul Tribie, Coordinator, Unit de Controle et de supervision des Assurances/Ministere de l’Economie e des Finances, **Haiti**.*
 - ✓ *“The annual statement template for the life insurance sector was the most useful”. Ms. Vida T. Chiong, Deputy Insurance Commissioner, Insurance Commission, **Philippines**.*

- ✓ *“The preparation of the On-site Inspection Manual and having going through the key points by the experts was the most useful. The discussion with experts after on-site inspection conducted by our staff was very useful because we discussed issues that needed further clarification, particularly when staff are inexperienced.” Mr. Ludwig Repo, Deputy Insurance Commissioner, PNG Officer of Insurance Commissioner.*
- ✓ *“We found all aspects of the entire TA useful. The final product, which is a proposed re-draft of our existing regulations (for non-bank financial institutions and insurance sectors), proved to be useful basis for us to finalize the drafts. The TA also highlighted the needs for the next steps to be taken in relation to Consumer Protection and Market Conduct.” Mr. Ramnarine Lal, Director, Bank Supervision Department, Bank of Guyana.*
- ✓ *“The application of best practices into drafting the regulations on Deposit Taking MFIs Regulations and Non-Bank Financial Institutions, the sequencing of the Parts, Sections, and Issues in the regulation was done professionally and consistently to other legislation.” Mr. Michael B. Ogun, Deputy Director, Regulation and Supervision Department, Central Bank of Liberia.*
- Payments Systems:
 - ✓ *“The discussion and experience sharing with experts has broadened our perspective on the National Payment Gateway establishment as something achievable.” Mr. A. Donanta H. Wibowo, Assistant Director, Bank Indonesia.*
 - ✓ *“All the parts of technical assistance were useful for us, but we would like to emphasize the importance of the TA on Business Continuity Planning. The successful completion of the project was followed by a very important project ISO 27000 for Information Security. As a whole, it was great endeavor of NBG Team and the support by FIRST ended up with great achievements.” Ms. Natalia Tchkoizze, Head of Payment Systems Department, National Bank of Georgia.*

How can FIRST provide further support? The survey has revealed huge needs in financial sector reform: nearly 70% of respondents have expressed a need for further support to their reform agenda – details can be found in Annex 2.

4. LESSONS LEARNED – HOW CAN WE MAKE TAs MORE EFFECTIVE AND IMPACTFUL?

We asked clients for their recommendations on how to increase impacts of reforms, and their advice can be summarized in key lessons as below:

1. Along with legal drafting, consultation with industry stakeholders must be carried out adequately as it helps accelerate the adoption process.
 - ✓ *“We believe it would have been very useful that consultants had been involved in the drafting law process and afterwards in the discussion with industry.” Mr. Idis Haydee Villalta Del Valle, Senior of Financial System, Superintendence of Financial System, Central Reserve Bank of El Salvador.*

2. Adequate training, especially hands-on coaching on using the supervisory tools is essential to increase capacity.
 - ✓ *“The technical assistance will be more effective if international consultants have continuous involvement with us rather than giving only one-shot training. We need international consultants not only for technical training but also on-the-job training during the 2-3 weeks inspection period so that the consultants can identify our weakness and give us practical recommendations for improvements.” Mr. Thawatchai Kiatkwankul, Director of Accounting Supervision Department, Securities & Exchange Commission of **Thailand**.*
3. Adaptation to country context, with consideration of client’s capacity to implement should be taken into account.
 - ✓ *“The experts should have spent more time on-site, working together with company’s and supervisor’s representatives, in order to understand the data, definitions, the manner on which the companies work in order to be able to understand and aggregate the data on a more efficient way.” Mr. Celakovski Ratka, Head of Unit, Insurance Supervision Agency, **Macedonia**.*
4. Timeliness is important: TA should be delivered within the scheduled timeframe.
 - ✓ *“If the project had been completed in scheduled time frame, necessary regulations pertaining to the drafted legislation should have been drafted.” Mr. Neeza Imad, Assistant Governor, **Maldives** Monetary Authority.*
5. Learning about how other countries implement similar reforms makes a difference.
 - ✓ *“A more practical experience of what had been done in other countries would have guided the discussions between our team and the technical assistance in an effective manner.” Mr. Michael B. Ogun, Deputy Director, Regulation & Supervision Department, Central Bank of **Liberia**.*
6. As related to strategy development, the list of priorities should be narrowed.
 - ✓ *“It is our view that a narrow list of priority items should have been identified for implementation as quick wins. The selection of a broad list of items tends to exert pressure on resources and could affect the success of the reform efforts.” Mr. Charles Augustine Abuka, Director Financial Stability, Bank of **Uganda**.*

Annex 1: Survey Questionnaires



The Financial Sector Reform and Strengthening Initiative (FIRST)

CLIENT SURVEY

At the completion of the technical assistance, FIRST sends this Survey to gather opinions from Clients to help FIRST improve future work. This Survey has 7 questions and would take about 20 minutes to complete. Your response will be kept confidential, except for Question 2 where FIRST might quote your response on the usefulness of the technical assistance for its reporting purpose.

Project Name:	
Beneficiary Agency:	
Name of the person completing the form:	
Title of the person completing the form:	

FEEDBACK ON THE TECHNICAL ASSISTANCE RECEIVED

1. On a scale of 1-5, how would you assess the technical assistance provided by FIRST’s consultants and the project team?

Dimensions of TA	Low → High					Not Applicable or Don't Know
	1	2	3	4	5	
Timeliness of the deliverables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategy/Roadmap, if provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Methodology, manual, tools if provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal/regulatory advice, if provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training/seminars/workshops, if provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adaptation to local context	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance of consultant(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance of the World Bank staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Comments: (Please elaborate on your ratings or you may wish to share your feedback about particular deliverables, methodology/tools, and/or performance of the consultants/staff that you interacted with during the project’s implementation process)

2. Please share with us what part of the technical assistance you found most useful for your Agency. (FIRST might want to quote your response to this Question to showcase the technical assistance’s effectiveness to its donors and interested stakeholders)

3. Please share with us what part of the technical assistance you found least useful for your Agency, and why?

4. In your opinion, how differently should the technical assistance have been carried out to address your Agency’s needs more effectively?

RESULTS AND LOOKING FORWARD

5. **Please let us know whether your Agency has started implementing recommendations provided by FIRST's consultants/project team, and if yes, what changes are being implemented?** (For example, the enactment of a law or regulation, the adoption of manual, procedures, tools which were developed with FIRST's assistance)

6. **Has this technical assistance informed a decision to initiate new projects/new reforms? If yes, please share with us some details about the new reforms** (Check all that apply)

YES

By your Agency or other Agencies. The new projects/reforms are _____

By the World Bank Group. The new projects/reforms are _____

By other development agencies. The new projects/reforms are _____

NO

7. **Please let us know if your Agency needs further technical assistance in the area of financial sector development.**

**

THANK YOU VERY MUCH FOR YOUR FEEDBACK!

Annex 2: List of TAs Requested

Region	Country	TAs Needs Requested
AFR	Guyana	<ul style="list-style-type: none"> • Consumer Protection, market conducts
AFR	Lesotho	<ul style="list-style-type: none"> • Risk Based Supervision for NBFIs
AFR	Liberia	<ul style="list-style-type: none"> • Insurance accounting guidelines based on AAP and IFRS standards • Insurance Solvency • On-site and Off-site manuals • Insurance risk management
AFR	Liberia	<ul style="list-style-type: none"> • Financial Stability Report, Stress Testing and macroprudential analysis, cross-border supervision and conglomerates supervision, IFRS and Basel II.
AFR	Sierra Leone	<ul style="list-style-type: none"> • Capacity building in Quality Assurance and Improvement Program in the Internal Audit Function • Review of Operational Manuals of the Internal Audit and Accounts and Budget Dept. • Establishment of a risk management function in the central bank. • Enhancement of the professional practice of the internal audit mechanism in the central bank
AFR	Uganda	<ul style="list-style-type: none"> • Macroprudential analysis, crisis management and preparedness
AFR	WB&G	<ul style="list-style-type: none"> • Private pensions • Capital Markets • Islamic Finance • Financial Inclusion
EAP	Indonesia	<ul style="list-style-type: none"> • TA on how to develop National Payment Gateway platform, how it should interconnect with existing clearing and settlement infrastructure
EAP	Philippines	<ul style="list-style-type: none"> • Risk Based Capital Frameworks
EAP	PNG	<ul style="list-style-type: none"> • Risk Based Supervision • Microinsurance
EAP	Thailand	<ul style="list-style-type: none"> • More training on International Accounting Standards, International Quality Control Standards, inspection techniques
ECA	Georgia	<ul style="list-style-type: none"> • Assessment of payment systems and registered card payment systems against PFMI
ECA	Macedonia	<ul style="list-style-type: none"> • TA in harmonization with EU legislation and implementation of Solvency II Directive and training to supervisors on risk-based supervision and implementation of Solvency II
LAC	Costa Rica	<ul style="list-style-type: none"> • Stress Testing, focusing on market risks
LAC	Haiti	<ul style="list-style-type: none"> • More TA on insurance (insurance contracts, financial examinations, market monitoring, regulatory implementation)
MNA	Turkey	<ul style="list-style-type: none"> • Consolidated and group-wide supervision TA on application of Solvency II
MNA	WB&G	<ul style="list-style-type: none"> • TA PFMI implementation TA in implementing ECC and other electronic payments
SAR	Maldives	<ul style="list-style-type: none"> • TA on drafting insurance regulations

Annex 3: List of Projects with Surveys Responded

Region	Country	Project Name
AFR	Lesotho	Lesotho #8006 Developing NBFi Regulation and Supervision
	Liberia	Liberia #10056 Capital Markets Strategy and Legal Framework
	Liberia	Liberia #10055 NBFi (Insurance) Regulations and Supervision
	Sierra Leone	Sierra Leone#10067 Strengthening Internal Audit at the Bank of SL
	Uganda	Uganda #10234 Strengthening Banking Regulation and Supervision Strategic Roadmap for Reform and Implementation Program
EAP	Indonesia	Indonesia #10249 Payment System Strengthening
	Papua New Guinea	PNG #10115 Implementing On-Site Supervision
	Philippines	Philippines #10046 Developing Microinsurance Reporting Framework
	Thailand	Thailand # 8119 Enhancing SEC Audit Assessment Capacity
ECA	Armenia	Armenia #10313 Supporting Capital Market
	Armenia	Armenia #10316 Regulatory and Supervisory
	Georgia	Georgia #10166 Modernizing Payment Systems Regulatory Framework
	Macedonia	Macedonia #10024 Liberalizing MTPL Insurance Market
	Turkey	Turkey #10269 Strengthening Solvency Supervision
LAC	Costa Rica	Costa Rica #10275 Development of Capital Market
	Costa Rica	Costa Rica #A010 Analytical Framework
	El Salvador	El Salvador #10310 Insurance Sector Reform
	Guyana	Guyana #10195 Supervision of Non-Bank Financial Institutions
	Haiti	Haiti #10227 Strength Insurance Regulation
	Nicaragua	Nicaragua #10213 Payment Systems
MNA	Jordan	Jordan #10202 Strengthening Solvency Supervision
	Jordan	Jordan #10277 Restructuring MTPL Insurance Market
	Tunisia	Tunisia #A001 Establishment of an Asset Management Company
	West Bank and Gaza	WBG #10193 Building National Payments System
	West Bank and Gaza	WBG #8065 Private Pension Regulatory Capacity Building Project
SAR	Bangladesh	Bangladesh #10252 Projection Model and Strengthening Bank Risk Reporting
	Maldives	Maldives #8004 Insurance Supervision