

JFC-Micro International Cooperation

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Other Activities

Supporting Micro and Small-sized Enterprises (MSEs) for Economic Prosperity.

New Phase of Technical Cooperation for Vietnam Bank for Social Policies (VBSP) was Launched

On Nov. 5 in Hanoi, JFC-Micro agreed on starting the new technical cooperation (Phase 3) for VBSP with three concerned organizations* and the representatives of each organization (Mr. Hosokawa, Deputy Governor of JFC for JFC-Micro) signed the Record of Discussion (RD). In this phase, JFC-Micro is expected to provide its know-how on training regarding credit analysis for SMEs.

* They are 1) Policy Research Institute (PRI), Ministry of Finance, Japan, 2) State Bank of Vietnam (SBV) and 3) VBSP.



Signing Ceremony of RD

Outline of the Phase 3

Period	Maximum two years
Objective	Enhance VBSP training staff's ability to conduct lectures on credit analysis for SMEs
Background	VBSP established a Training Center in 2007 but has not accumulated enough know-how on effective internal lectures.

1st Seminar for Training Staff

At the same time, JFC-Micro conducted a three-day seminar at VBSP Headquarters. In the seminar, JFC-Micro demonstrated its presentations for VBSP staff who are supposed to give a lecture to their colleagues. In addition, JFC-Micro, PRI and VBSP held an active discussion on future activities for achieving the objective.



Demonstration by JFC-Micro

Background of the Technical Cooperation Project

VBSP is a government-affiliated financial institution, which was established in 2002 in Vietnam. They are expected to support SMEs from the financial aspect, but they did not have enough experience and know-how at the beginning. This was because VBSP and SBV asked PRI for technical cooperation. PRI decided to start the project with the collaboration of JFC-Micro, which had accumulated experience and know-how in the field of SME finance.

	Achievement/Objective	Target
Phase 1 (2003-2006)	<ul style="list-style-type: none"> Introduction of JFC-Micro's credit analysis know-how Creation of "Credit Analysis Materials" 	Managers
Phase 2 (2006-2008)	<ul style="list-style-type: none"> Dissemination of the above know-how by using "Credit Analysis Materials" 	Branch staff
Phase 3 (2009-)	<ul style="list-style-type: none"> Enhancement of VBSP staff's abilities to conduct lectures on credit analysis for SMEs 	Training staff

* Please refer to JFC-Micro's website for more details of the project.

Activities in Japan

One-week Seminar in Japan

- Two-year technical cooperation project for SME Bank, Malaysia -

(January 25-29, in Japan)

JFC-Micro accepted seven representatives from SME Bank, Malaysia, for the second seminar. This seminar was one of the programs of the Technical Cooperation Project, Malaysia, which has been carried out since December 2008 as an ODA project by the Policy Research Institute (PRI), Ministry of Finance (MOF), Japan. The goal of this project is to improve the bank's credit analysis methods and shorten the time for credit analysis, especially for MSEs and business start-ups, and JFC-Micro has been providing its know-how since the project started.

By getting lectures from JFC-Micro's experts at Headquarters and seeing the actual operations, participants deepened their understanding of JFC-Micro's activities. On the last day, the bank and JFC-Micro held a discussion to find a way for enhancement of the bank's operations.

◇ Progress of this project

Sep. 2007	Preliminary Survey (Kuala Lumpur)
Dec. 2008	Signing Ceremony on Record of Discussion & Seminar (KL)
Sep. 2009	Meeting with Representatives of SME Bank (KL)
Jan. 2010	Seminar (Tokyo)



Lectures, etc.

JFC-Micro provided various programs during the seminar. Some of them are...

◇ Lecture "Credit Analysis of Business Start-ups"

Staff of JFC-Micro's Business Start-ups Support Department explained the theory of credit analysis for business start-ups partly through a case study.



◇ Visit to JFC-Micro's Branch Offices

Participants visited the branch offices to see its operations.

In addition, they held a discussion with the staff there.



Comments from a participant (excerpt)



"...The seminar provided insights into the best practices in evaluating start-ups... At the end of the seminar, we realized that the old saying is still valid, i.e., 'seeing is believing' and that's what we learnt most especially from visiting the branches... We noticed there is an efficient and smooth process flow from receipt of applications to loan processing, decision-making to issuance of contract documents...The short stint in Tokyo would always be a sweet memory for the Malaysian team, and we believe the end results would be even sweeter. Nonetheless all these will not be realized without the hard work and full commitment by the organizers namely PRI and JFC-Micro..."

Ms. Zarina Nor Binti Ismail, Assistant Vice President / Head Credit Operations 1

* For other activities in Japan, please refer to "Other Activities" on page 4.

Activities in Foreign Countries

JICA “Project for Institutional Capacity Development for Infrastructure Finance in Vietnam”

(September 7-11, 2009, in Vietnam)

In order to support the Vietnam Development Bank (VDB), JICA is conducting the above three-year project in cooperation with Japan Economic Research Institute Inc. The purpose of the project is to strengthen VDB's capacity in terms of 1) Governance, 2) Credit Risk Management, 3) Fund Mobilization and Asset and Liability Management, and 4) Human Resource Development. This time, as part of the project, JICA held a seminar titled “Credit Risk Management Enhancement for VDB” in Hanoi and Ho Chi Minh City. In order to introduce JFC-Micro's credit risk management, including its credit analysis, Mr. Hirata, Deputy Chief of ICO was invited and made a presentation. As VDB is one of the government-affiliated financial institutions, and it has a lot in common with JFC-Micro, all seminar participants listened to the presentation very actively.



APO “Study Meeting on SME Financing in the Aftermath of the Global Financial Crisis”

(November 23-24, 2009, in Indonesia)

Mr. Hirata, Deputy Chief of ICO, gave the keynote presentation at the above study meeting organized by the Asian Productivity Organization (APO) and the Indonesian government. Considering the impact of the global financial crisis, one of the main objectives of this year's meeting was to undertake in-depth discussions and formulate practical, innovative recommendations for strengthening SME financing in APO member countries. The participants, who were mainly government officials and professors of 12 Asian countries, highly evaluated Mr. Hirata's presentation by saying that it contained a lot of useful information in designing financial support measures for SMEs in their countries. Following the presentation, APO announced that JFC-Micro's SME financial support program was recognized as a best practice example in its newsletter “APO NEWS.”



Chief's Visit to Manila

(December 3-4, 2009, in the Philippines)

Mr. Morita, Chief of ICO, visited Manila to have meetings with some institutions concerned. He discussed further cooperation in the field of MSE finance with the Association of Development Financial Institution in Asia and the Pacific (ADFIAP). He also discussed the holding of a MSE finance seminar in Tokyo with the Asia-Pacific Rural and Agricultural Credit Association, Center for Training and Research in Agricultural Banking (APRACA-CENTRAB).



Seminar, “Japan-Vietnam's Cooperation for Supporting Industry and New SME Development”

(January 20, 22, 2010, in Vietnam)

Mr. Morita, Chief of ICO, attended the above seminar held in Hanoi and Ho Chi Minh City as one of the presenters. The seminar was organized by the Vietnam Chamber of Commerce and Industry (VCCI) and the Japan Economic Research Institute (JERI) as a part of the Japan-Vietnam economic partnership project. He made a presentation on theme of “SME finance for SME policy implementation in Japan.”

Vietnamese participants expressed considerable interest in the role of policy-based finance for SMEs, and an active discussion was held among them.



* For other activities in foreign countries, please refer to “Other Activities” on page 4.

Other Activities

Activities in Japan and in Foreign Countries from October 2009 to March 2010.

Oct. 21	JICA "Small and Medium Enterprise Development Policies (A)"
Nov. 5	Accepting Executives of Ministry of Industry and the Office of SMEs Promotion (OSMEP), Thailand
Nov. 25	JICA "Development and Promotion of SMEs in South-Eastern Europe"
Dec. 1-2	JICA "Small & Medium Enterprise Development Policies for Central and South America"
Dec. 16	JICA Youth Program "Administrative Management"
Jan. 20	JICA "Policy Measures for Ensuring Financial System Stability"
Jan. 26	JICA "Training Course for Micro, Small and Medium Enterprise Development & Energy Efficiency Finance"
Jan. 27	JICA "Small and Medium Enterprise Development Policies (B)"
Feb. 9	"Training Program on Functional Enhancement for Chambers of Commerce and Industry"
Feb. 19	"APRACA-CENTRAB International Study Visit Program in Japan 2010"
Feb. 22-26	JICA "Policy-based Financing for SMEs in Japan, Concept and Practice" (in Sri Lanka)
Feb. 23	JICA "Reinforcement of Micro, Small and Medium Enterprise Supporting Organization for African Countries"
Mar. 9-12	Seminar for Vietnam Bank for Social Policies (VBSP) (in Vietnam)
Mar. 2	JICA "Necessary Policy Measures and Reform Strategies for Financial System Stability in NIS Countries"
Mar. 5	JICA "Small and Medium Enterprise Development Policies (C)"

* Activities without venue were conducted in Japan. ** For the details, please refer to JFC-Micro's website.

◆ Knowing About JFC-Micro

Supporting Entrepreneurs! *JFC-Micro's Business Start-ups Support*

JFC-Micro is a policy-based financial institution that has been giving financial support to Micro and Small Enterprises (MSEs) in Japan. One of the important roles is to support business start-ups. JFC-Micro provides start-up loans to more than 20,000 entrepreneurs in FY2008.

According to a panel survey by JFC Research Institute, 89.8% of MSEs that had started their business by getting a JFC-Micro loan in 2006 were still operating at the end of 2008. In addition, among them, the ratio of MSEs raising funds from private financial institutions (PFIs) had been increasing as the years went by. JFC-Micro's start-up loan encouraged the PFIs to provide loans to MSEs.

Ratio of the start-up businesses borrowing from PFIs apart from JFC-Micro

At the time of start-up	11.2%
At the end of FY 2006	12.2%
At the end of FY 2007	25.4%
At the end of FY 2008	34.6%

Contact Us!

*If you are interested in our activities,
please feel free to contact us!
We hope to see you!*

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About Us



(clockwise from upper left)
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We are the members of International Cooperation Office (ICO). We would like to make an international contribution through our activities. We stand ready and willing to serve!