

JFC-Micro International Cooperation

Vol. 5

March 2011

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

This newsletter is to introduce recent activities of JFC-Micro's International Cooperation Office (ICO). ICO provides JFC-Micro's experience and know-how on MSE finance to overseas financial institutions, etc.

JFC-Micro ICO Marks 10th Anniversary

JFC-Micro International Cooperation Office (ICO) marks its 10th anniversary in March 2011. The ICO was originally set up at the National Life Finance Corporation (NLFC), the predecessor to JFC-Micro, in 2001. Since then, it has engaged in technical cooperation for developing countries by transferring its knowledge and long-term experience in the field of MSE finance. Let's look back on the activities of JFC-Micro ICO.

Projects in an Early Stage

The first international cooperation project was "JICA SME finance seminar in Uzbekistan" in 2001. JFC-Micro dispatched experts to Tashkent. In 2002, it accepted a bank officer from Uzbekistan for three weeks to give training. It also participated in seminars in Mexico, Thailand and Mongolia from 2002 to 2003.



Trainee from Uzbekistan



Seminar in Mongolia



VBSP Project



SME Bank, Malaysia Project

Participating in Long-term ODA projects

JFC-Micro and MOF launched long-term ODA technical assistance projects for two government-owned banks. One is the human resource development for the Vietnam Bank for Social Policies (VBSP, 2003-). Another is the loan procedure improvement for the SME Bank, Malaysia (2008-). Both are still on-going (see page 3).

Attending International Events

In 2003, JFC-Micro signed the "MOU among APEC Financial Institutions Dealing with SMEs," and has attended annual meetings every year. In 2008, JFC-Micro hosted the meeting in Tokyo. Moreover, JFC-Micro was invited to the international events of ADFIAP in 2005-2006 and became a member in 2010. "Japan Microfinance Symposium" in 2007 was also an important event.



APEC MOU Meeting in Tokyo



APEC MOU Meeting in Seoul



Seminar in Cambodia



Seminar for ASEAN in Brunei

Credit Analysis Seminar in Various Countries

Responding to increasing requests from developing countries, JFC-Micro conducted SME credit analysis seminars in Cambodia (2006), Sri Lanka (2010, JICA), Vietnam (2010), and Indonesia (2011, JICA). Also, it held multilateral seminars, such as the AOTS seminar for ASEAN in Brunei (2006), and the APRACA seminar in Tokyo (2010).

JFC-Micro ICO had 333 opportunities for international cooperation this decade

- JFC-Micro participated in **90** overseas activities (seminars, researches, conferences, etc.) in **21** countries/areas.
Brunei, Cambodia, China, Fiji, Hong Kong, India, Indonesia, Kazakhstan, Korea, Laos, Malaysia, Mexico, Mongolia, Myanmar, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Uzbekistan, Vietnam
- Activities in Japan accounted for **243**. Among them, JFC-Micro conducted **8** training courses longer than one week.

Activities in Foreign Countries

JFC-Micro dispatches experts to foreign countries for technical assistance projects or international seminars/conferences on SME/MSE Finance.

JICA “Training Program on Credit Analysis for MSEs”

(January 25-February 4, 2011, in Indonesia)

JFC-Micro dispatched two lecturers to the above program, which was organized as a part of the long-term project, “Capacity Development for Supporting Industry Development.” The project is conducted by Japan International Cooperation Agency (JICA) and Bank Indonesia (BI) in cooperation with JICA Experts, Mr. Hiroshi Tahara and Mr. Kenichi Tamagaki.

This time, JFC-Micro explained its expertise on credit analysis for MSEs, as well as business start-ups through lectures and case studies. The participants, more than 75 representatives from BI and regional development banks, etc., seemed to deepen their understanding of JFC-Micro’s key of credit analysis. They showed high

interest, especially on credit analysis for micro and small enterprises with insufficient financial data, and asked a lot of questions. In the end, they actively exchanged opinions.

Schedule

Jan. 25	Special Lecture for Officials of BI (at Jakarta head office)
Jan. 26-28	Training Course in Surabaya (at Surabaya branch office)
Jan. 31-Feb. 2	Training Course in Padang (at Padang branch office)
Feb. 4	Wrap-up Meeting (at Jakarta head office)



Training Course in Surabaya



Training Course in Padang



ADFIAP “International CEO Forum VII ”

(November 18, 2010, in Cambodia)

Two members from International Cooperation Office (ICO) attended the International CEO Forum organized by Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). This forum was held in Siem Reap, Cambodia, and approximately 100 CEOs and senior executives from the development finance institutions in the Asia-Pacific region participated.



In the SME finance session, Mr. Morita, the chief of ICO, conducted a presentation on the topic of “Managerial Improvement Loans,” one of JFC-Micro’s characteristic loan programs. Many attendants showed deep interest in JFC-Micro’s presentation because the concept of this loan program is very unique and might be one of the clues for not only facilitating SME finance but also improving SMEs corporate management. This forum was beneficial for JFC-Micro as well, on the grounds that JFC-Micro had opportunities for exchanging information on SME support measures and policies implemented in each country.

IIST “SME Finance Seminars”

(January 17-21, 2011, in Vietnam and Cambodia)
These seminars hosted by Institute for International Studies and Training (IIST) were intended to share some ideas on how to promote SME development. During the seminars, which were held in Hanoi, Ho Chi Minh, and Phnom Penh, Mr. Sagara, the deputy chief of ICO, conducted lectures on the theme of “Roles of Policy-based Finance with SME financing in Japan.” Many participants, including government officials and managers of SMEs, showed much interest in the JFC-Micro’s significant role in terms of backing up SME development.

They also seemed to recognize that JFC-Micro’s expertise in SME finance, especially credit analysis know-how for SMEs, is noteworthy in making SME finance more facilitating.



Meeting with Representatives of OSMEP

(November 17, 2010, in Thailand)
JFC-Micro visited the Office of SME Promotion (OSMEP) in Bangkok and exchanged views on how to support SME development with Mr. Yuthasak, the director general. OSMEP is one of the policy implementing institutions in Thailand. It currently works to establish a new scheme for supporting SMEs in Thailand by reference to the Japanese “SME Shindan-shi” program and JFC-Micro’s “Managerial Improvement Loans.”

Prior to the meeting, Mr. Morita, the chief of ICO, made a presentation regarding the overview of “Managerial Improvement Loans.” The participants from OSMEP seemed to deepen their understanding of this characteristic scheme.

Through this fruitful meeting, both sides reached a consensus on strengthening of mutual cooperation in the future.



On-going Long-term Technical Cooperation Projects

JFC-Micro has provided technical cooperation for the SME Bank, Malaysia, (SME Bank) and the Vietnam Bank for Social Policies (VBSP) as an ODA project of the Policy Research Institute (PRI), Ministry of Finance (MOF), Japan. Recent activities for these projects are as follows.

Project for SME Bank

Meeting with Representatives in SME Bank

(December 15-17, 2010, in Malaysia)

The project was started in December 2008 to improve the SME Bank’s credit analysis and shorten the time for credit analysis. In order to achieve the goal, the bank introduced a new credit analysis format (especially for MSEs) based on JFC-Micro’s method.

This time, JFC-Micro and the PRI visited the bank’s head office (in Kuala Lumpur) and one of the branches (in Melaka) to confirm the progress of the project. The bank reported that the staff at the bank had a good impression of the new format.

As a result, JFC-Micro, the PRI, and the SME Bank agreed to proceed with the preparation for the Final Report on the project.



Project for VBSP (Phase 3)

Interim Evaluation of Technical Cooperation Project

(November 26-28, 2010, in Vietnam)

This phase of the project was launched in October 2009. The final goal of this phase is to establish an independent three-day training course on credit analysis methods for small businesses. In order to accomplish the goal, JFC-Micro has provided the know-how on delivering the lecture and making lecture materials on credit analysis methods for MSEs.

This time, JFC-Micro and the PRI visited a Training Center (TC) of the VBSP in Phu Tho and observed a lecture by TC staff on credit analysis of MSEs for newly recruited staff. After that, JFC-Micro, the PRI, and the VBSP had discussed the progress of the phase and agreed on further cooperation to achieve the final goal. The final evaluation of this phase will be conducted around October 2011.



Activities in Japan

JFC-Micro accepts business missions, trainees, and study groups from various countries. Recent activities from August 2010 to January 2011 are as follows.

Aug.12	PRI "The Summer Seminar for Central Asian and Caucasian Countries 2010"
Sep.6	JICA "Seminar for Food Safety Policy Making and Management"
Sep.10	JICA "Financial and Technological Support for Small and Medium Enterprises Promotion (B)"
Oct.7	JICA "Training Course on Small and Medium Enterprise Development Policies (A)"
Nov.2	JICA "Training Program for Young Leader for Malaysia/Administrative Management Course"
Nov.11	JICA "Training Course on Credit Guarantee System in Japan"
Nov.30-Dec.1	JICA "Small & Medium Enterprises Development Policies for Central and South America"
Dec.6	JICA "Economic Administration (Industrial Development and Promotion)"
Dec.8	JICA "Project on Human Resource Development for SME Corporation Malaysia"
Jan.6	Mission from Kuwait University
Jan.24	JICA "Training Course on Small and Medium Enterprise Development Policies (B)"

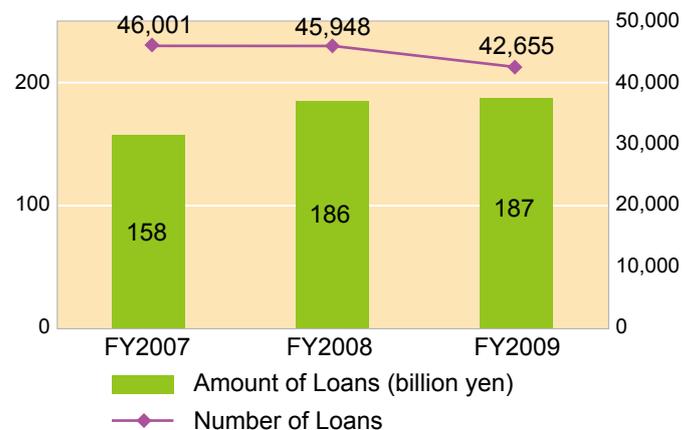


Collaboration with CCI/SCI

JFC-Micro has close relationship with the regional Chamber of Commerce and Industry (CCI) and the Society of Commerce and Industry (SCI). JFC-Micro has provided Managerial Improvement Loans in collaboration with CCI/SCI. MSEs, which receive managerial advice and recommendations from the heads of CCI/SCI, are eligible to apply for this loan. The primary feature of this loan is that it requires no collateral or guarantor. This loan is familiar to MSEs under the nickname, "MARUKEI Loans."

Other than that, JFC-Micro has close relationships with other MSE related entities. Through these collaborations, JFC-Micro supports MSEs not only by providing loans but also by providing useful information.

Transitions of the disbursement of MARUKEI Loans



Contact Us!

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

International Cooperation Office

**Micro Business and Individual Unit
Japan Finance Corporation (JFC-Micro)
1-9-3, Otemachi, Chiyoda-ku,
Tokyo 100-0004 Japan
Tel: +81-3-3270-1527 Fax: +81-3-3246-1340
E-mail:knkokusaikoryu@jfc.go.jp
<http://www.k.jfc.go.jp/pfce/indexe.html>**

About Us



(from left) Sagara, Takada, Morita (Chief), Aoki

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