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資料 2 . 質問票

Questionnaire on the Assistance in the field of SME Finance Development

Items	Questionnaire
<i>A. Strategic Policy</i>	
Basic Approach	1. What is your basic approach to SME finance development?
	2. What is your strategic objective? “Promotion of SMEs having the potential to grow”, or “Support to weak micro/small businesses (leading to poverty reduction)”
	3. In terms of SME finance, what kind of situation is empirically desirable?
	4. Do you regard SME finance development as important for your assistance strategy? And why?
	5. What issues do you emphasize in your assistance on SME finance development? General issues unique to SME finance such as “asymmetry of information”, or issues related to fundamental financial surroundings such as macro financial policy, prudential regulation, and financial infrastructure?
	6. What do you think about the relations between “banking sector reform” and “SME finance development”?
	7. What is your idea about the roles of government and its limits in the field of SME finance?
Environment of SME Finance	8. How do you assess the present state of SME finance in the developing countries?
	9. By what kind of standards do you evaluate the state of SME finance? (For example, how sufficient and stable quantitatively is SME finance? How proper are lending conditions such as lending rates, collateral and etc.? Are credit risk premium including spread and collateral reasonable? How sufficient is the variety of financial source? Has the direct finance made a stable financial source for SMEs?)
	10. Do you recognize the credit crunch for SMEs in the developing countries? And what is your definition of credit crunch?
Strategic Priority	11. Do you have any specific SME sectors you emphasize? If yes, could you describe?
	12. On which countries/areas do you strategically focus? And why?

Guideline/ Strategic Paper	13. Do you have any guidelines for your assistance in the field of SME finance development? If yes, could you describe it?
	14. Do you have country level strategies? If yes, could you present?
<i>B. Organizational Structure (5)</i>	
Organization	1. What is the organizational structure related to SME finance development? Does the function belong to SME development department or another department for financial sector assistance?
	2. Do you have a special department/section for SME finance development? And when was it established? What are the details/ background of establishment?
	3. In order to acquire the necessary know-how and financial techniques, which international/domestic financial organizations do you cooperate with?
Staff	4. How many staffs do you have in the SME finance-related section?
	5. How do you acquire the necessary human resources for your assistance activities in the field of SME finance development?
<i>C. Method for Assistance (10)</i>	
Methods	1. What kind of methods do you adopt in the projects of SME finance development?
	2. Where do you acquire the necessary methods?
Basic Methodologies	3. If we look at the problems on SME finance in accordance with the theory of “asymmetry of information”, it might be correct that the possible methodologies are 1) the society pay cost for “asymmetry of information” in SME lending (credit guarantee, policy-based finance), 2) banks try to reduce SME lending costs by making a specialty of SME lending (credit cooperatives, credit unions, etc.), and 3) SME borrowers pay the lending costs by paying back higher interest. Which do you mainly focus among these methodologies?
Credit Scoring	4. Is the method of credit scoring helpful in the developing countries?
	5. How would you evaluate the influence of introducing credit scoring for SME lending including micro credit?
	6. Where do you acquire the method of credit scoring?
Policy-based Finance	7. Do you think that policy-based finance is necessary and effective in the developing countries?
	8. Direct loan by governmental banks or credit guarantee system. Which do you recommend? And why?
	9. In which country do you find desirable credit guarantee systems?

SME-specialized banks	10. Do you have any idea about how to promote SME banks for SME finance?
<i>D. Project Monitoring/Evaluation (4)</i>	
Project Monitoring	1. What is the system of project monitoring?
	2. What kind of monitoring method do you adopt?
Project Evaluation	3. By what kind of method do you assess the effectiveness of projects related to SME finance development? Where does the method come from?
	4. Do you have the system where your project results and its evaluation are reflected to other similar projects?
<i>E. Concrete Projects (3)</i>	
Project List	1. In terms of SME finance development, how many projects have you implemented so far? And could you present the list (project name and project outline) of them?
Typical Projects	2. Could you select and describe some typical projects?
	3. How do you evaluate each selected projects?

資料3．質問回答書（ILO）

A

1.

SME ファイナンスという包括的なテーマを確立しようとした経緯は1年ほど前にありますが、実務上は依然としてプロダクト毎（リースやギャランティファンド）別々の活動となっております。従って SME ファイナンスに対する基本アプローチというご質問にはご回答出来ません。

2.

ILO の雇用部門（主要4部門の1つ）にある Social Finance Programme (SFP) は金融サービスを通じてILOの標語である Decent Work を達成することをミッションとしております。具体的にはファイナンスツールにより雇用の創出及び貧困撲滅を目的としております。

3.

民間金融だけでうまくいけばそれが一番よいのですが、現状は SME がファイナンス・ギャップを常に抱えています。このファイナンス・ギャップは SME の実際のリスクの高さに由来するものと貸し手側の偏見によるものや制度上の不備があります。リスクの操作をすることは好ましくありませんが、偏見によるものと制度上の不備は取り除く必要があります。そこで公共機関が介入することにより、金融機関が SME ファイナンスの収益性とリスクを正しく認識し、やがて民間だけで回るようになるのが望ましい状況です。それから、ビジネスディベロップメントとファイナンスとの融合も大事です。ファイナンスだけを独自に考えることでは最適な解が得られないからです。

4.

よく指摘されますが発展途上国は殆どが零細企業によって雇用が創出されているということ、特に貧困者は起業によって生計を立てるしか方法がないことなどから SME ファイナンスは我々の目的である雇用創出と貧困撲滅に欠かせないものです。

5.

情報非対称と並んで取引コスト及び担保の欠如が頻繁に指摘されます。これらの概念的な問題を個別にまた直接に取り扱うものではなく、あくまでファイナンス・ギャップを克服するための具体的な措置が大切であります。そこで SFP ではリース、ギャランティファンド、ミューチュアルギャランティという具体的なツールの普及を活動の柱としています。

6.

考えたことはありません。

7.

政府は介入すべき分野とすべきでない分野をハッキリすべきです。3でも触れましたが、SME のリスクそのものを操作することはすべきでない分野と言えますし、介入すべき分野

はあくまで「歪み」を取り除くことです。その歪みには政府自身が原因の後進的な政策フレームワークも含まれます。1つの例としては担保設定を困難にする法的な未整備状態です。限界の端的な例としては、発展途上国の政府予算の規模を考えると実際の資金供給元(financier)としてはインパクトの小さい資金量しか供給できない点だと思います。

8. 及び 10

1でも述べましたが、SME ファイナンスという包括的な観点で各国の調査を行なったことがないので評価できる立場にありません。

9.

これも8同様に評価できる立場にはありませんが、私自身が興味を持って調べたエクイティファイナンスに関して言えば、投資の絶対量の少なさ(従ってエクイティギャップ)はよく指摘されることですが、それ以上に継続可能性のないファンドが殆どという実態です。基本的かつ最大の難関であるエクジットストラテジーを考えずに運営を開始していることが原因ですが、結果的にグラントに終わるのが目に見えています。(これはデットファイナンスも含めて言えることですが。)

11. 12. 及び 14. は該当ありません。

13. については SFP のポリシーペーパーの一部(下記)をご覧ください。

Job-creating enterprises are usually those with the greatest difficulties to access capital for investment: small, unincorporated, family businesses, enterprises owned and managed by women. This work will deal primarily with the SME finance gap and financial innovations to reduce costs and risks. It continues to explore links between the way small firms are financed and their performance, especially as regards the level and quality of employment. This work area has four targets:

1. Local objective and target: at least 20 African countries have adopted ILO recommendations on an enabling framework for institutions targeted at improving the poor's access to micro-finance, that provide job-creating financial services; this is based on ongoing work in the SADC zone and the West African Monetary Union.

2. Local objective and target: at least 5 countries will have initiated procedures for a review and modernization of their property rights system

3. Local objective and target: banks increasingly accept risk-sharing arrangements with guarantee funds, mutual guarantee associations etc. for the benefit of SMEs.

4. Local objective and target: at least three pilot project launched on leasing and equity finance for SMEs

B

1.

雇用部門の Social Finance Programme (SFP) がファイナンス全般を扱っています。

2.

1992年の設立です。SFPのヘッドであるMr. Balkenholがダカール勤務の際に、Monetary Union in West Africaとの協力で、マイクロファイナンスを通じた雇用創出のプログラムを創ったのがきっかけです。

3.

CGAP, UNHCR, UNIFEM など

4.

10名。

5.

基本的には内部で賄う部分と外部があります。外部の部分はプロジェクト予算によって雇うコンサルタントで、内部は主として各国政府からの拠出によるアソシエートエキスパートであります。

C

1.

ギャランティファンド、ミューチュアルギャランティ、リース

2.

これらは広く知られた手法なので、担当者が各自学習しました。

3.

情報非対称性だけがコストの源泉だとは思いませんが、いずれにしてもコストの担い手としては、ケース・バイ・ケースです。例えば、ミューチュアルギャランティ（フランスなど）の場合、SME自体がお金を拠出しそれをプールするものです。これをコストと呼ぶならばSMEが負担しているのですが、貸し倒れが低い場合にはコストとは呼べないかもしれませぬ。別のミューチュアルギャランティ（イタリアなど）では、半分は商業銀行が、残りはSMEが拠出します。

4.5.6.については実績がないのでコメントが出来ません。

7.

A3.に同じ理由で必要だと考えます。

8.

A7.の限界として触れましたが、政府がSMEファイナンス全てを供給することは不可能ですから、レバレッジを生かせるギャランティが望ましいといえます。

9.

担当者によれば、殆どの欧州諸国、カナダ、コロンビア、インドなどです。

10.

SMEに特化した銀行というよりも、やはり、現状の取り組みの中心である商業銀行の参加を促すことと、マイクロファイナンス機関(MFI)を利用することです。MFIとしてもローン

ポートフォリオをより健全にするために、SME への貸付を増やす傾向があります。

D

1.

半年毎にドナーに対して報告を行なうことと、プロジェクトの中間及び最後に外部による評価を行なうことです。

2. 予定通りにお金を使ったかというモニタリングをしています。(おかしな話ではありませんが。)

3.

プロジェクトにもよりますが、Outreach, Financial Self-sufficiency などを用いるようです。

4.

ありません。

E (まとめてお答えします。)

・ Bridging the Gap – A program in Support of Non-Bank Institutions Operating Guarantee Funds for Small and Micro Enterprises

SME 向けのギャランティファンドはこれまでは補助金に大きく依存した政府主導の失敗例が多かったが、最近では NPO 主導の小粒ながら効果的なファンドが台頭してきました。しかしながら NPO としての経験不足が原因で新しいファンドの特徴が十分に生かされないため、ILO はファンド運営のノウハウを普及せしめることとしました。

・ Investing in Employment: Leasing for entrepreneurs in the employment-intensive construction sector

リースを普及させるためにトレーニングツールを作ること、また金融機関及び起業家を、リースを通じてアシストすることを目的としています。対象地域はサハラ以南のアフリカです。

・ Making Social Capital Work: Micro-Enterprise Guarantee Associations

イタリアのミューチュアルギャランティの成功事例をアラブ5ヶ国(アルジェリア、エジプト、ヨルダン、モロッコ及びチュニジア)に導入すべく、ワークショップの開催や専門家の派遣を行なうことにしました。

成果としては SME 自身がミューチュアルギャランティについて理解を深めました。しかしながら、各国におけるミューチュアルギャランティの創設は次のフェーズとしてドナーを探している段階であります。

資料 4 . 質問回答書 (世界銀行)

REPORT FROM SME FINANCE WORKING GROUP

Pierre Paris presented a paper on Supporting Microfinance in Developing Countries, representing the framework developed by the SME Finance Group during the last year, led by the French Ministry of Foreign Affairs, in consultation with a group of French practitioners in various aspects of SME finance. The presentation highlighted key issues and types of assistance needed for a comprehensive approach to developing SME finance, in the areas of:

- Policy, legal and regulatory framework;
- Financial infrastructure and information;
- Intermediaries, methodologies, and instruments (including commercial banks, MFIs, non-bank financial institutions, and trade and inter-firm financing);
- Organization of the sector (including business associations, clusters);
- Firm level: complementary services, BDS, partnerships.

In addition, Pierre demonstrated the Website that has been established with access restricted to WG members, who are able to post relevant documents, provide information about events, engage in discussion groups on particular topics, and even “vote” on a particular question posed by a member. Material posted on the website can also be made available for external (read-only) access.

The WG proposed that the French Ministry continue to lead the work, including responsibility for revising the framework paper to incorporate any comments received by the end of September; overall coordination; and maintaining the website. The strategy for the coming six months is to try to gather relevant knowledge on specific topics on the website. Materials from previous SME conferences in Vienna and Geneva have already been posted, and the World Bank Group SME Department will contribute material from its internal website. Others are encouraged to join the SME Finance Working Group (send an email to pierre.e.paris@wanadoo.fr) and post relevant materials. The focus is on current knowledge regarding SMEs (as distinct from large and micro enterprises) in developing in transition countries.

Agencies that have agreed to develop lessons learned or best practice knowledge in specific areas include:

- ILO: What policy instruments promote SME finance (what we know, and what the gaps are);

- Austrian Development Cooperation (in collaboration with IFC/SEED and KfW): Lessons learned from own programs, and annotated summary of key literature;
- UNCTAD: Continued work on SME finance, particularly in the context of business linkages and clusters.

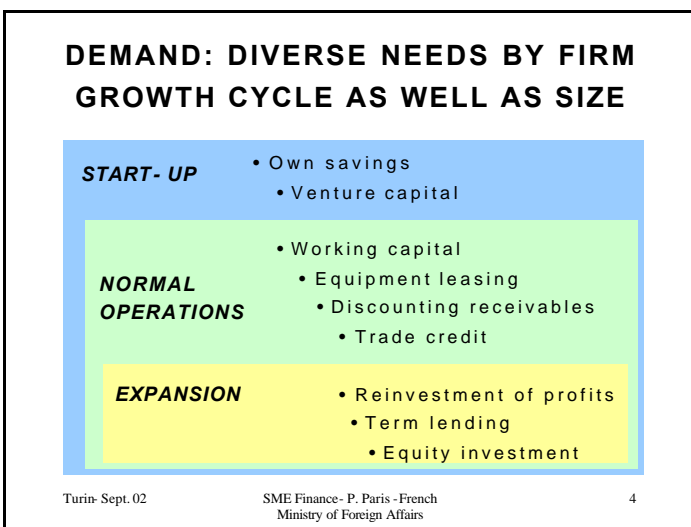
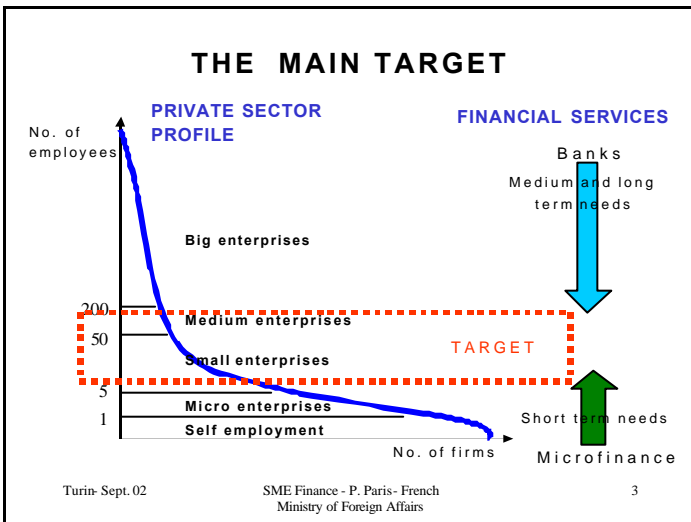
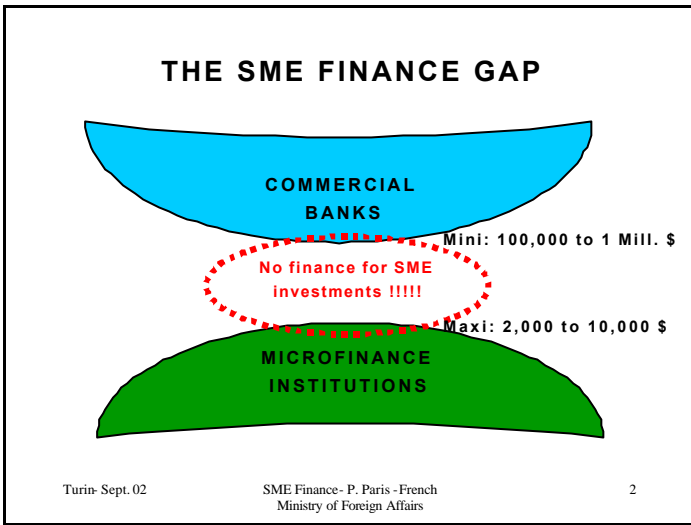
These agencies, as well as the French Ministry and World Bank Group, agreed to comment on each others' TORs for studies and consultants, which would also be circulated to all members of the WG for comment.

In addition, the Asian Development is undertaking a regional study that may yield some information on financial infrastructure and information in relation to SME finance.

The intention is that, once available knowledge and lessons learned have been gathered on specific topics, efforts would be made to distill and synthesize that knowledge into short, operationally useful notes on each topic. The WG intends to meet in approximately six months to take stock of progress to date and discuss selection of some key topics for further work.

SUPPORTING SME FINANCE IN DEVELOPING COUNTRIES





SUPPLY: A SYSTEMIC PROBLEM

ENVIRONMENT LEVEL

- Macro economic framework
- Legal and regulatory framework

FINANCIAL SECTOR LEVEL

- Market infrastructure
- Commercial banks
- Microfinance institutions
- Other finance institutions

FIRM LEVEL

- Business Associations
- Networks and clusters
- BDS market

Turin- Sept. 02

SME Finance - P. Paris- French
Ministry of Foreign Affairs

5

MACRO ECONOMIC FRAMEWORK

Situation

Unstable economic context

Finance concentrated on a narrow segment

Resistance against the reduction of inequalities

Possible Actions

Support for governments in implementing:

- expansion of economic democracy
- policies in favour of investment in the « middle segment » of private sector

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6

LEGAL AND REGULATORY FRAMEWORK

Situation

Unsufficient security for property rights, colateral guarantees, recovery of loans, etc..

Regulations rules not adapted to medium term loans, to MFIs, to non-loan products, etc...

Possible Actions

Support for reforms, in favour of SMEs, of :

- civil and business law
- bank and financial regulations

Turin- Sept. 02

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7

INFRASTRUCTURE OF FINANCIAL MARKET

Situation

Lack of secured informations about SMEs

Cost of risk analysis too high for SME lending

Issues

Credit scoring: is it feasible in emerging limited markets? How to transfer the technology?

External rating: due to the cost of expertise, is it only available for highly competitive SMEs?

Credit bureau: analyse best practices in disseminating and sharing information on SMEs

COMMERCIAL BANKS

Situation

SME finance is **not** a natural, profitable segment for banks 'activity

But some banks, in a competitive context, are willing to bridge the SME finance gap

Possible Actions

Integrated assistance to banks, combining:

- refinancing availability of medium term funds
- guarantee funds, properly designed
- TA on risk analysis and reduction of costs

MICROFINANCE INSTITUTIONS

Situation

SME finance is **not** MFI's basic mission and is « another job »

But some MFIs want to upgrade toward SMEs, both for porfitability and commercial follow - up

Possible Actions

Analyze success stories of MFIs lending to SMEs

Support linkages between MFIs and other FIs, business associations, BDS providers,..

Develop new products for « graduating » clients

VENTURE CAPITAL

Situation

Well adapted to SMEs' needs : bureaucratic- free and closely involved

But tends to be reserved to highly competitive « big » SMEs : require a high level of profitability

Possible Actions

Analyze experiences of downscaling venture capital

Environmental measures facilitating mobilization of local private savings for SME investment

Develop new instruments combining equity and debt financing

Turin- Sept.02

SME Finance - P. Paris- French
Ministry of Foreign Affairs

11

LEASING

Situation

Leasing reduce SME finance gap by lowering risk and transaction costs

But there is a lack of leasing companies, due to regulation constraints

Possible Actions

Analyze lessons of experience with SME leasing

Regulation reforms encouraging development of leasing companies

Turin- Sept.02

SME Finance - P. Paris- French
Ministry of Foreign Affairs

12

MUTUAL GUARANTEE FUNDS

Situation

A dynamic partnership which reinforce the banks' interest by:

- sharing risk through financial solidarity
- adding a judgment on human and professional qualities of the applicant

Possible Actions

Analyze success stories of functioning mutual guarantee funds and networks, particularly in western countries

Turin- Sept.02

SME Finance - P. Paris- French
Ministry of Foreign Affairs

13

BUSINESS ASSOCIATIONS

Situation

Generally BA lack institutional capacities, and are weakly representative of SME segment

Possible Actions

Support Business Associations to act efficiently to reduce SME financing gap, through:

- dialogue with the State to improve environment
- organisation of mutual funds, collaboration with financial institutions to guide their services
- training or certifying of SMEs to lower risk level

NETWORKS AND CLUSTERS

Situation

These SMEs' grassroots organisations can play a powerful role to reduce SME finance gap at the 3 levels of environment, financial sector and non-financial support for SMEs

Possible Actions

Projects supporting networks and clusters of SMEs, where the financing needs have been successfully tackled

BDS MARKET

Situation

Good access to BDS is essential to fight against SMEs' inadaptations to finance:

- internal weaknesses of the firms in relation to investment
- information asymmetries: difficulties of the SMEs to provide relevant required data

Possible Actions

Analyze experiences in BDS to complement SME finance, especially through market mechanisms

As a conclusion...

**To explore such a complex field of
experience and innovation ...**

**... requires exchanges and collective work
within a large network of expertise :**

The SME Finance Working Group

資料 5 . 質問回答書 (UNCTAD)

Items	Questionnaire
A. Strategic Policy	
Basic Approach	<p>1. What is your basic approach to SME finance development?</p> <p><i>- We see SMEs access to finance as a critical component in their ability to grow and become competitive. Our approach is to identify effective policies, financial innovations and other measures to promote SMEs access to finance that could be applied to developing countries. We do this through intergovernmental expert meetings and research work. We disseminate our results through the UN Commission of Enterprise, Business Facilitation and Development and through contacts with policy makers in developing countries, through publications, work shops, etc. We also work through EMPRETEC centers (they provide business development services to entrepreneurs in developing countries) so that they would incorporate the best practices in SME finance that we have identified in their technical assistance programs. We are, however, not involved directly in providing finance to SMEs.</i></p> <p>2. What is your strategic objective? “Promotion of SMEs having the potential to grow”, or “Support to weak micro/small businesses (leading to poverty reduction)”</p> <p><i>- We focus on SMEs that have a potential to grow through our EMPRETEC programme.</i></p> <p>3. In terms of SME finance, what kind of situation is empirically desirable?</p> <p><i>- Our vision is a well-functioning financial system that is capable of catering to various financial needs of SMEs, especially providing long or medium term finance at a reasonable cost. A certain percentage of the commercial bank's loan portfolio should be earmarked for SMEs.</i></p> <p>4. Do you regard SME finance development as important for your assistance strategy? And why?</p> <p><i>- Yes. Lack of access to finance has been identified in numerous surveys as one of the key obstacles for SME growth.</i></p>

	<p>5. What issues do you emphasize in your assistance on SME finance development? General issues unique to SME finance such as “asymmetry of information”, or issues related to fundamental financial surroundings such as macro financial policy, prudential regulation, and financial infrastructure?</p> <p><i>- We recognize the importance of the macro environment, but our focus is more on the micro level – that is finding ways to reduce information asymmetry, reduce costs of lending, improve risk monitoring etc. (e.g. though banks forming partnerships with business development service providers such as Empretec centers). We also cover the impact of international banking regulation on the ability to lend to SMEs.</i></p> <p>6. What do you think about the relations between “banking sector reform” and “SME finance development”?</p> <p><i>- A stable and well-functioning financial system is critical for SME development, but in our view short-comings on the institutional level should not be used as excuses for postponing work on measures the central bank and commercial banks should undertake. .</i></p> <p>7. What is your idea about the roles of government and its limits in the field of SME finance?</p> <p><i>-The government should play an important role in setting policies and encouraging banks and other financial institutions through a variety of initiatives to lend to SMEs. Our specific suggestions for central banks / governments are to make an effort not to crowd out lending to SMEs by their own borrowing from banks. In some cases, it might be necessary for the government to provide some form of subsidized finance for SMEs (e.g. for technology related projects), but the risks of creating distortions should be avoided.</i></p>
<p>Environment of SME Finance</p>	<p>8. How do you assess the present state of SME finance in the developing countries?</p> <p><i>- Our assessment is that in many countries the real bottle neck is not the lack of funds, but the that banks are not willing to lend to SMEs, but prefer to lend to the government or to large enterprises.</i></p>

	<p>9. By what kind of standards do you evaluate the state of SME finance? (For example, how sufficient and stable quantitatively is SME finance? How proper are lending conditions such as lending rates, collateral and etc.? Are credit risk premium including spread and collateral reasonable? How sufficient is the variety of financial source? Has the direct finance made a stable financial source for SMEs?)</p> <p><i>- We use a broad set of criteria, including the cost of borrowing, the availability of long-term finance, what is the share of banks lending to SMEs vis a vis other clients. Lack of reliable data is one of our key concerns in evaluating the state of SME finance.</i></p>
	<p>10. Do you recognize the credit crunch for SMEs in the developing countries? And what is your definition of credit crunch?</p> <p><i>- Yes. We do not have a formal definition. We compare SMEs contribution to GDP, employment, exports vs their share of commercial activities. We see as the key problem the lack of long or medium term finance at a reasonable cost that prevents SMEs from making long-term investments and growing.</i></p>
Strategic Priority	<p>11. Do you have any specific SME sectors you emphasize? If yes, could you describe?</p> <p><i>- High potential entrepreneurs</i></p>
	<p>12. On which countries/areas do you strategically focus? And why?</p> <p><i>- Our focus is developing countries in general and LDCs in particular.</i></p>
Guideline/ Strategic Paper	<p>13. Do you have any guidelines for your assistance in the field of SME finance development? If yes, could you describe it?</p> <p><i>- We have developed action plans for specific countries. .</i></p>
	<p>14. Do you have country level strategies? If yes, could you present?</p> <p><i>- Yes, Uganda (We have a publication that we could send)</i></p>
B. Organizational Structure (5)	
Organization	<p>1. What is the organizational structure related to SME finance development? Does the function belong to SME development department or another department for financial sector assistance?</p> <p><i>- Issues related to SME finance are dealt under the Branch for Enterprise Development, Division for Investment, Technology and Enterprise Development.</i></p>

	<p>2. Do you have a special department/section for SME finance development? And when was it established? What are the details/ background of establishment?</p> <p>- <i>No</i></p>
	<p>3. In order to acquire the necessary know-how and financial techniques, which international/domestic financial organizations do you cooperate with?</p> <p>- <i>Through Expert Meetings we have contacts with national level policy makers, banks, entrepreneurs and academics.</i></p> <p>- <i>We have cooperation with EU, UNIDO, UNDP, IFC, UN Regional Commissions.</i></p> <p>- <i>Through the EMPRETEC centers, we contacts with the field.</i></p>
Staff	<p>4. How many staffs do you have in the SME finance-related section?</p> <p>- <i>3</i></p>
	<p>5. How do you acquire the necessary human resources for your assistance activities in the field of SME finance development?</p> <p>- <i>Internal resources, international consultants, national consultants through Empretec.</i></p>
C. Method for Assistance (10)	
Methods	<p>1. What kind of methods do you adopt in the projects of SME finance development?</p> <p>- <i>We work indirectly through Empretec centers. We promote the adoption of best practices in SME finance – especially through partnerships between Empretec centers and local banks.</i></p>
	<p>2. Where do you acquire the necessary methods?</p> <p>- <i>Through research and expert meetings</i></p>
Basic Methodologies	<p>3. If we look at the problems on SME finance in accordance with the theory of “asymmetry of information”, it might be correct that the possible methodologies are 1) the society pay cost for “asymmetry of information” in SME lending (credit guarantee, policy-based finance), 2) banks try to reduce SME lending costs by making a specialty of SME lending (credit cooperatives, credit unions, etc.), and 3) SME borrowers pay the lending costs by paying back higher interest. Which do you mainly focus among these methodologies?</p> <p>- <i>Our focus is (2) – That is we try to identify new innovative methods to reduce cost of lending to SMEs that could be applicable to developing countries and then disseminate these through the channels described above.</i></p>

	<p><i>We, however, recognize that in some instances subsidized lending (1) can play a useful role, if caveats are taken into account. We find that risk sharing is very important in any government involvement.</i></p>
Credit Scoring	<p>4. Is the method of credit scoring helpful in the developing countries? <i>- Yes but it needs to be adopted for their SMEs and for women entrepreneurs.</i></p>
	<p>5. How would you evaluate the influence of introducing credit scoring for SME lending including micro credit? <i>- Our view it has a potential of reducing costs of lending as well as improving the risk analysis of the projects.</i></p>
	<p>6. Where do you acquire the method of credit scoring? <i>- IFC</i></p>
Policy-based Finance	<p>7. Do you think that policy-based finance is necessary and effective in the developing countries? <i>- In some cases it could play a useful role.</i></p>
	<p>8. Direct loan by governmental banks or credit guarantee system. Which do you recommend? And why? <i>- We do not favor one or the other. In both cases the emphasizes has to be on making sure that there is sufficient risk sharing, the programs do not create distortions, the programs actually reach the intended beneficiaries.</i></p>
	<p>9. In which country do you find desirable credit guarantee systems? <i>- USA and other OECD countries</i></p>
SME-specialized banks	<p>10. Do you have any idea about how to promote SME banks for SME finance? <i>- Special purpose banks can play an important role to in compensating the shortage of finance for SMEs in the short run. We recognize that such institutions have had difficulty achieving long- term viability. Therefore, in the long-term it important that such institutions have a high degree of operational autonomy, diversification of their assets and sources of income, and a high priority to maintain a reasonable level of profitability.</i></p>

D. Project Monitoring/Evaluation (4)	
Project Monitoring	1. What is the system of project monitoring? - <i>We use the methodology and related impact assessment indicators, which were agreed by the International Donors Committee for SME development. Based on this methodology, we have developed a sophisticated MIS tailored for specific projects.</i>
	2. What kind of monitoring method do you adopt? - <i>6, 12, 14 month qualitative and quantitative assessment.</i>
Project Evaluation	3. By what kind of method do you assess the effectiveness of projects related to SME finance development? Where does the method come from? - <i>We use the general tool for SMEs described above.</i>
	4. Do you have the system where your project results and its evaluation are reflected to other similar projects? - <i>See above.</i>
E. Concrete Projects (3)	
Project List	1. In terms of SME finance development, how many projects have you implemented so far? And could you present the list (project name and project outline) of them? - <i>3 – Ghana, Uganda Task Force for SME finance, Colombia loan guarantee program.</i>
Typical Projects	2. Could you select and describe some typical projects? - <i>See box on Ghana that is attached.</i>
	3. How do you evaluate each selected projects? - <i>Based on the implementation of the Plan of Action</i>

Box : Combining Financial Services and Business Services

Since 1996 EMPRETEC Ghana Foundation (EGF) has expanded its portfolio of BDS to include financial services. It operates four schemes to facilitate access to credit for SMEs:

Credit Sourcing

Mutualist Empretec Guarantee Association (MEGA)

Credit Facilitation

Export Development and Investment Funds (EDIF)

The Credit Sourcing Scheme of EGF was initially implemented as part of a UNDP funded Programme that had the objective to provide loans to micro and small enterprises (MSEs) in selected sectors. To implement the scheme EGF has established credit centers in five regional capitals and hired well-trained professionals, equipped with resources and support staff to run the centers. Risks of lending to MSEs have been reduced by utilizing other components of the EMPRETEC model i.e. credit was combined with capacity building. Prospective clients are carefully screened and trained, their enterprises assessed and corrective measures are adopted to improve their viability.

The terms of the loans are favorable and have relatively long repayment times (12-18 months), lower interest rates than normal bank rates, and collateral requirements are more flexible. The Scheme has been successful and since its inception in 1996, the initial capital has been rolled over more than six times to finance over 1,100 beneficiaries. Recovery rates have varied between 89% and 92%.

The MEGA Scheme is a mutual guarantee scheme that aims to improve SMEs access to finance. The essence of the scheme is that by mutually guaranteeing each other's bank borrowing on the basis of a fund created by regular joint contributions, SMEs are put in a position where they can access finance, which they could not otherwise do due to lack of collateral. According to the MEGA scheme this is done by bringing together 616 businesses to form a MEGA Group. The members of this group agree to make monthly contributions to create a loan guarantee fund. These contributions are deposited with a bank, which is then willing to extend loans to MEGA members equal to four times the size of the MEGA fund.

With regard to credit facilitation, EGF has entered into agreements with selected financial institutions to enable SMEs to access medium to long-term finance. SMEs that go through the EGF

when applying for a loan in these financial institutions are put on a fast track and also enjoy preferential interest rates. They also receive assistance to prepare business plans and other supportive documents. EGF receives a fee for successful deals concluded. Furthermore, for a small fee EGF also monitors loans and provide regular reports to the financial institution.

The Export Development and Investment Fund (EDIF) became operational only in June 2001 and EGF has been involved in it since June 2002. The major attraction of the fund is its low interest rates (currently 15% compared to 35% in banks) that are designed to improve the export competitiveness of Ghanaian enterprises.

Source: Empretec Ghana Foundation

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