

Institutional Support to lending Institutions under Small and Medium Enterprise Development Fund



Location

Vietnam

Client

Ministry of Finance, Government of Vietnam

Project Value

EUR€0.8 Million

Start Date

July 2004

Completion Date

July 2008

Donor

European Commission

Office Responsible

Cardno Agrisystems

Responsibilities

Private Sector and Enterprise Development

Contact

privatesector@cardno.com

1 300 782 171 (in Australia) or your local office

+61 3 9819 2877 or

+44 1296 748 550

www.cardno.com

Project Scope

The main goal of SMEDF is to raise the capacity of public financing institutions PFIs involving support:

- To provide assistance to small to medium sized enterprise in the areas of revolving finance
- To enable an increase in the productivity and competitiveness of SMEs and new employment opportunities in Vietnam
- To improve ability for years to come of a significant number of young bankers in the selected banks and DAF/VDB with regard SME lending,
- To improve curriculum and training expertise for the selected training service provider, available to all banks through market mechanisms
- To improve Vietnamese trainers' ability through initial joint courses delivery with the European trainers
- To improve expertise of the DAF/VDB staff assigned to the project, to raise the level of bank lending to SMEs.

Insufficient access to finance is the most important obstacle to business growth in Vietnam. The overall objective of the project is to enhance

economic and social development in Vietnam through the provision of improved financial services to small and medium-sized enterprises (SMEs).

The purpose of the project is to create and operate a revolving financing facility -the small and medium-sized enterprise development fund (SMEDF) that offers medium and long-term financing to selected commercial banks for on-lending to SMEs and to strengthen the institutional capacity of the Vietnamese Development Assistance Fund (DAF) and of intermediary banks in dealing with the financing needs of SMEs. These measures are intended to contribute to increasing the productivity and competitiveness of SMEs in Vietnam, and help to create new employment opportunities.