

Asian Productivity Organization

Hirakawa-cho Dai-ichi Seimei Bldg. 2F
1-2-10, Hirakawa-cho, Chiyoda-ku
Tokyo, 102-0093 Japan



Tel:(81-3)5226-3920 Fax:(81-3)5226-3950
E-mail: apo@apo-tokyo.org
URL: www.apo-tokyo.org

PROJECT NOTIFICATION

18 September 2009

1. **Project Code:** 09-RP-34-GE-RES-B
2. **Title:** **Research on the Financing of Small and Medium Businesses**
3. **Duration & Timing:** One year commencing from November 2009
The coordination meeting will be held 10–12 November 2009 (three days) in Bangkok, Thailand
4. **Venue:** Participating member countries
5. **Number of Overseas Experts:** Up to nine national experts from Republic of China, India, Indonesia, Japan, Republic of Korea, Malaysia, Philippines, Singapore, and Thailand.
6. **Closing Date for Nominations of National Experts:** **16 October 2009**
7. **Objectives:**
The research intends to undertake an in-depth study of the environment for SME financing among APO member countries to:
 - Examine access to funding sources for SMEs;
 - Identify factors that hinder credit availability to SMEs;
 - Identify the government policy framework for supporting SME financing; and
 - Deliver practical policy recommendations for strengthening SME financing in APO member countries.

8. **Background**

One of the driving factors for productivity enhancement is new businesses and innovations. Promoting SMEs to become future world-class enterprises through new ideas and innovations is an important mission of the APO. Assisting SMEs by encouraging entrepreneurship and productivity will lead to positive effects on overall socioeconomic development.

A critical aspect of the development and growth of SMEs is access to financing. It is important for them to have appropriate channels and options for funding. In reality, compared with larger firms, SMEs often face great challenges in accessing finance. Given that limited access, it is important for the APO member countries to support SMEs to connect with funding sources. Yet currently there is a lack of research among APO member countries on SME financing.

Given the above, this research will examine the nature of SME access to sources of funding and identify factors that hinder credit availability to SMEs. The research will focus on the government policy framework for supporting SME financing and make practical policy recommendations for strengthening SME financing in APO member countries.

9. Provisional Scope and Methodology

The actual coverage of the research will be decided at the coordination meeting among the chief expert and national experts. The tentative topics are:

- Overview of SME financing in member countries;
- Nature and scope of SME support policies in member countries;
- National financial systems and traditional and nontraditional sources of funds available to SMEs;
- Factors that hinder credit availability to SMEs; and
- Policy recommendations for strengthening SME financing.

10. Qualifications of National Experts

The research at the national level will be conducted by national experts in the participating member countries. The nominated national experts must have abundant professional knowledge or direct involvement and experience in the area of SME financing. They must have excellent writing skills as confirmed by the publication of articles, books, or substantive reports on SME financing. The Secretariat may also identify and inform the NPOs suitable national expert candidate/s for nomination where applicable for the NPOs to follow up.

11. Chief Expert

The APO will appoint a chief expert to be selected from among the participating countries to lead the group of national experts. The chief expert will be responsible for developing a research framework proposal containing the background, main direction, coverage, common framework, and methodology for the research; preparing background materials for the coordination meeting in Bangkok; ensuring overall coordination of the work, including review of the initial drafts of country reports and progress of the national experts in the interim period of the research duration; and preparing an analysis and overall conclusions of the research based on the data and analyses provided by the national experts.

12. Coordination Meeting:

The coordination meeting of national experts and chief expert involved in the research will be held in Bangkok, Thailand, 10–12 November 2009.

The interim research report will be presented on May 2010. The project will be completed upon publication of the research report by October 2010.

13. Financial Arrangements:

(a) To be borne by the APO

- 1) Honoraria for the chief and national experts upon completion of the research;

- 2) All deputation costs for the chief and national experts from overseas including a lump-sum miscellaneous expenses, and round-trip business-class international airfare by the most direct route between the international airport nearest to the experts' place of work and Bangkok for attending the coordination meeting for the research; and
 - 3) Travel insurance coverage against accident and illness and miscellaneous expenses of all experts for the entire duration of the coordination meeting and travel.
- (b) To be borne by the host country of the coordination meeting (Thailand)
- 1) Accommodation costs and per diem allowances for the national experts; and
 - 2) Other local implementation costs.


Neither the APO nor the NPOs will bear any expenses incurred by the overseas experts for extra stay at the venue before and/or after the official project period due to early arrival, late departure, or any other reason whatsoever.

14. Actions by Member Countries

- For selection purposes, the member countries to be included in the research are requested to submit appropriate nominations (preferably at least two for consideration) **by 16 October 2009**.
- Each nomination should be accompanied by the candidate's biodata on the standard APO form in duplicate along with a passport-sized photograph. In addition to the standard APO form, nominees should also prepare a list of publications, research, and/or consulting projects they have undertaken in this field. A nomination lacking any of these documents will not be considered.
- The selection of national experts will be based strictly upon their professional qualifications and experience, academic background, and commitment to this research.

15. Preparatory Work by National Experts:

The selected national experts are required to prepare a preliminary report on: 1) the status of SME financing in their countries; 2) current government policy on SME financing; and 3) obstacles and challenges of SMEs in accessing finance. The reports will be presented at the coordination meeting in Bangkok and they will form the basis for further deliberations and development of the research. The written papers and PowerPoint presentations should be submitted to the APO Secretariat **by 3 November 2009**.


Shigeo Takenaka
Secretary-General