

**JICA's activity for supporting DFIs in
countries within the Southern African
Development Community (SADC)
based on experiences in Japan and
Asian countries**

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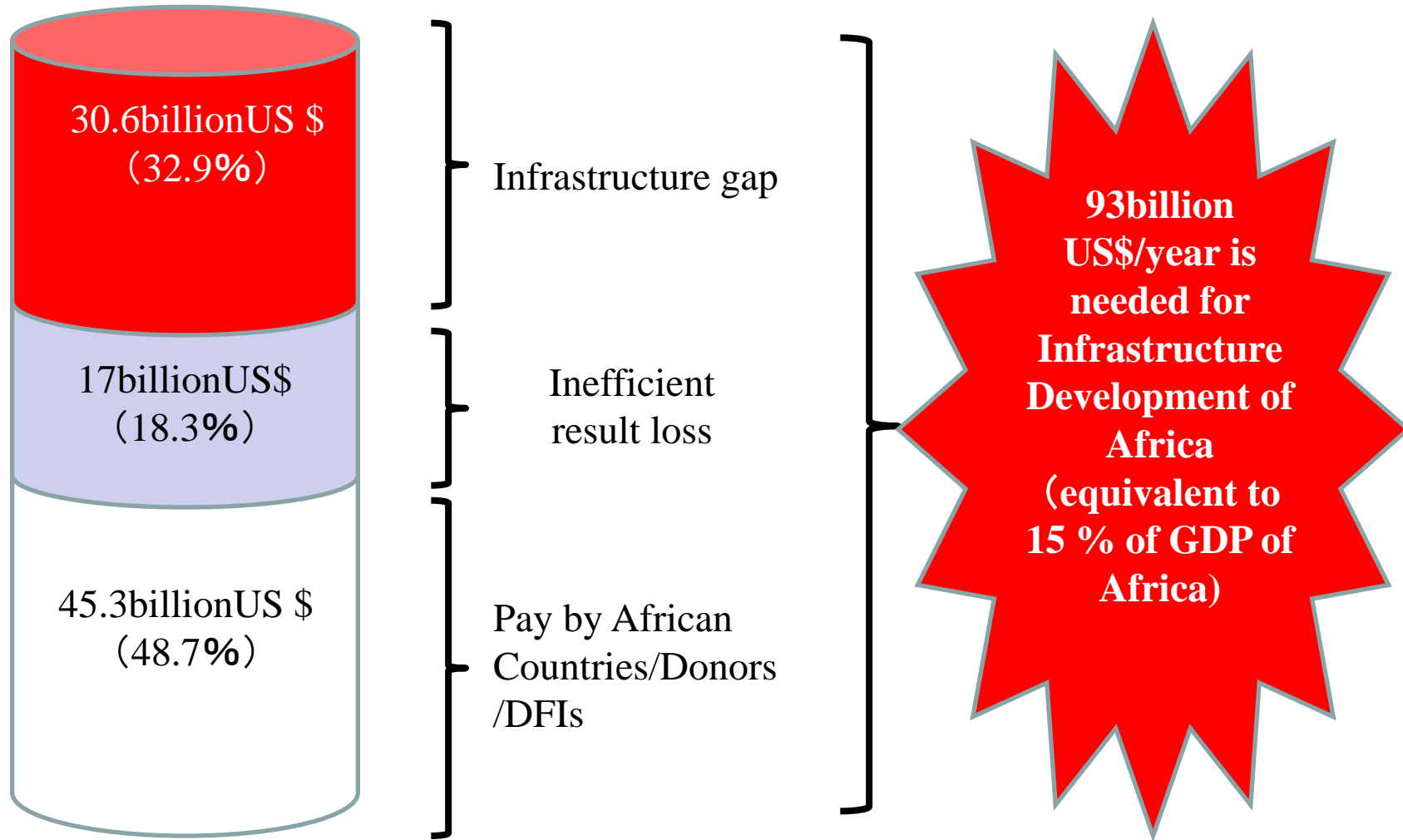
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Presentation Outline

- **Environment Surrounding SADC DFIs**
- **JICA's Cooperation to SADC DFIs**
- **JICA's Future Cooperation to SADC DFIs**

Environment Surrounding SADC DFIs

Environment Surrounding SADC DFIs



Source : “Financing Public Infrastructure in Sub-Saharan Africa: Patterns, Issues, and Options.” AICD Background Paper 15, Africa Infrastructure Sector Diagnostic, World Bank, Washington DC.

AICD Flagship Report Africa’s Infrastructure : Africa’s Infrastructure: A Time for Transformation

An Example of Inefficient Result loss?



Comparison of DFIs in Africa and Asia

In African countries

These DFIs were diminished or even closed down in the 1980s and 1990s.

In Asian countries

Japan

-Development Bank of Japan had financed specific industry and contributed to economic growth(1950's)

Korea

-Korean Development Bank had financed manufacture and contributed to economic growth(1970's)

Malaysia

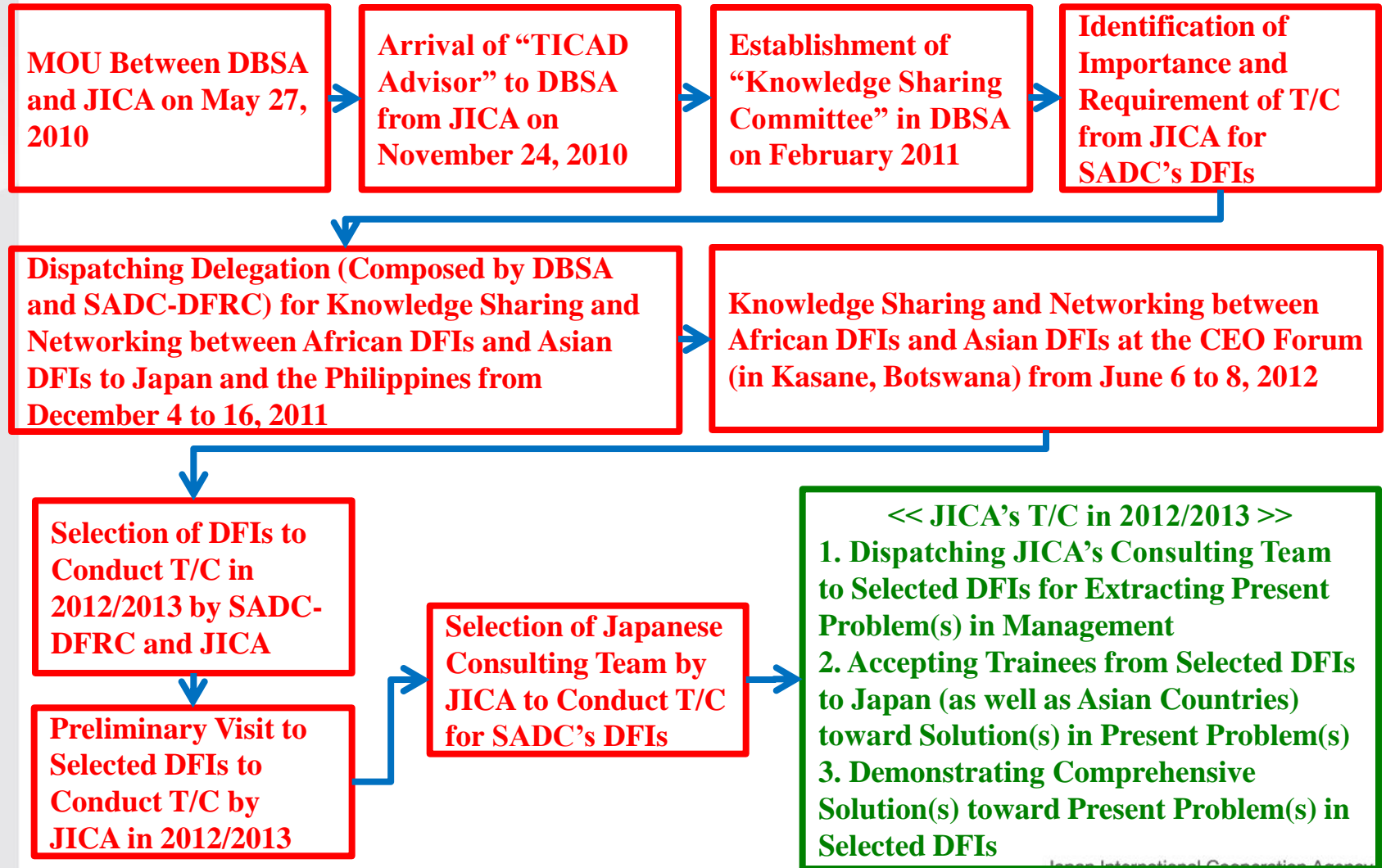
-Bank Pembangunan Malaysia Berhad had financed Infrastructure and contributed to economic growth(2000's)



DFIs in Asian countries contributed to Economic growth

JICA's Cooperation to SADC DFIs

JICA's Technical Cooperation (T/C) to SADC-DFRC's DFIs: Past Process and Present and Future Cooperation



(Proposal)
JICA's Future Cooperation to SADC DFIs

JICA's Experience for “Reinforcement of Financial Systems”

(From 1995 to 2009)

By Categories and the Number by Country

1. Technical Cooperation: 40 Projects

Indonesia (7), Vietnam (7), Mongolia (4), China (4), Laos (3), Malaysia (2), Thailand (2), Argentina (2), Cambodia (1), Myanmar (1), Tajikistan (1), Kazakhstan (1), Kyrgyz (1), Kenya (1), Paraguay (1), Chile (1), El Salvador (1)

2. Training Program in Japan: 60 Programs

Indonesia (10), World (7), Asian Countries (7), Thailand (7), ASEAN Countries (including China) (5), Malaysia (4), China (4), Vietnam (3), Central Asian Countries (2), Laos (2), Mongolia (2), Central and Eastern European Countries (2), West Asian Countries (1), Tajikistan (1), Saudi Arabia (1), Syria (1), Kenya (1)

3. Dispatching Expert: 32 Experts

Indonesia (10), Thailand (5), Vietnam (3), Mongolia (3), Uzbekistan (2), Malaysia (2), China (2), Philippines (1), East Timor (1), Papua New Guinea (1), Kenya (1), Switzerland (1)

4. ODA Loans: 11 Disbursements

Philippines (2), Sri Lanka (2), Pakistan (2), Bangladesh (1), Ghana (1), Kenya (1), Peru (1), Bolivia (1)

JICA's Experience for “Reinforcement of Financial Systems”

Examples of JICA Projects

Mongolia:

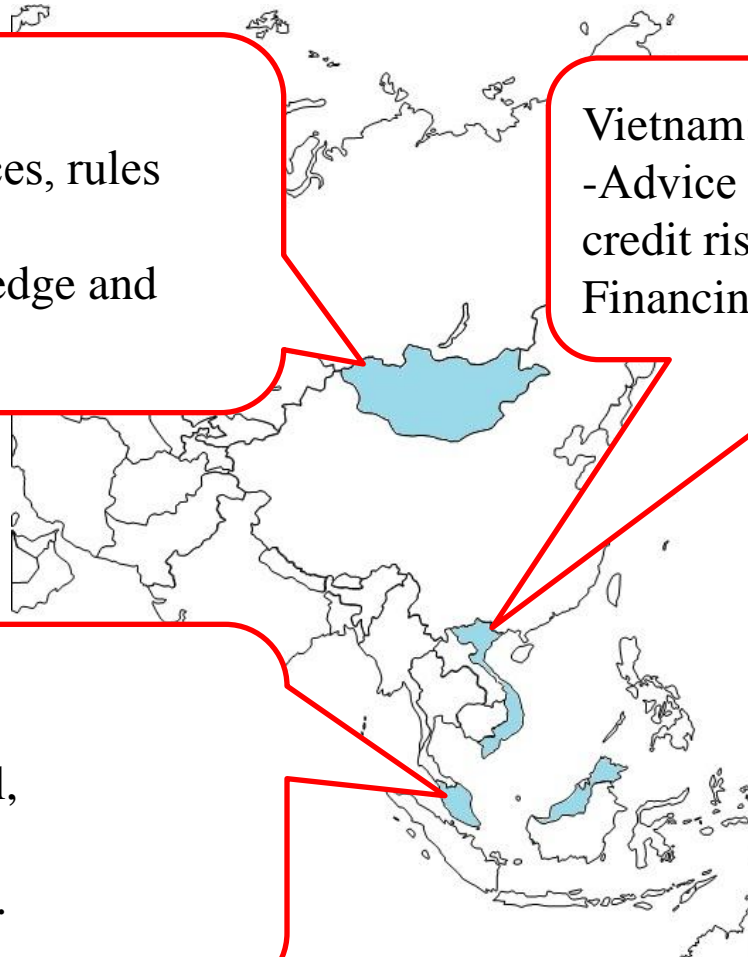
- Drafting DFI's policies, rules and regulations
- Training for Knowledge and Skills Enhancement

Vietnam;

- Advice for DFI's policies, credit risk management, Financing and ALM

Malaysia;

- Advice for appraisal, project evaluation, risk management etc.



What can JICA do for SADC DFIs?

1. DFI Diagnosis

- Dispatching JICA study team to selected DFIs for reviewing organizational capacities
- Identifying operational and managerial issues which the DFI should resolve

2. Dispatch of JICA Experts

- Designing and implementing the plan to the SADC-DFRC
- Coordinating interaction among AADFIIs, SADC-DFRC and ADFIAP

3. Training Program in Japan

- Strengthening each DFIs's project value chain (project formation, preparation, appraisal, implementation and monitoring)

4. Dispatch of Lecturer(s) to Training Program of SADC-DFRC

- Sharing the knowledge of Japan and Asian countries and strengthening mutual network

Future Direction of JICA's Corporation to DFIs in SADC

Setting up Phase (from FY 2012)

- Operational diagnosis for selected DFIs
- Training program based on theme identified through the diagnosis



Taking off Phase

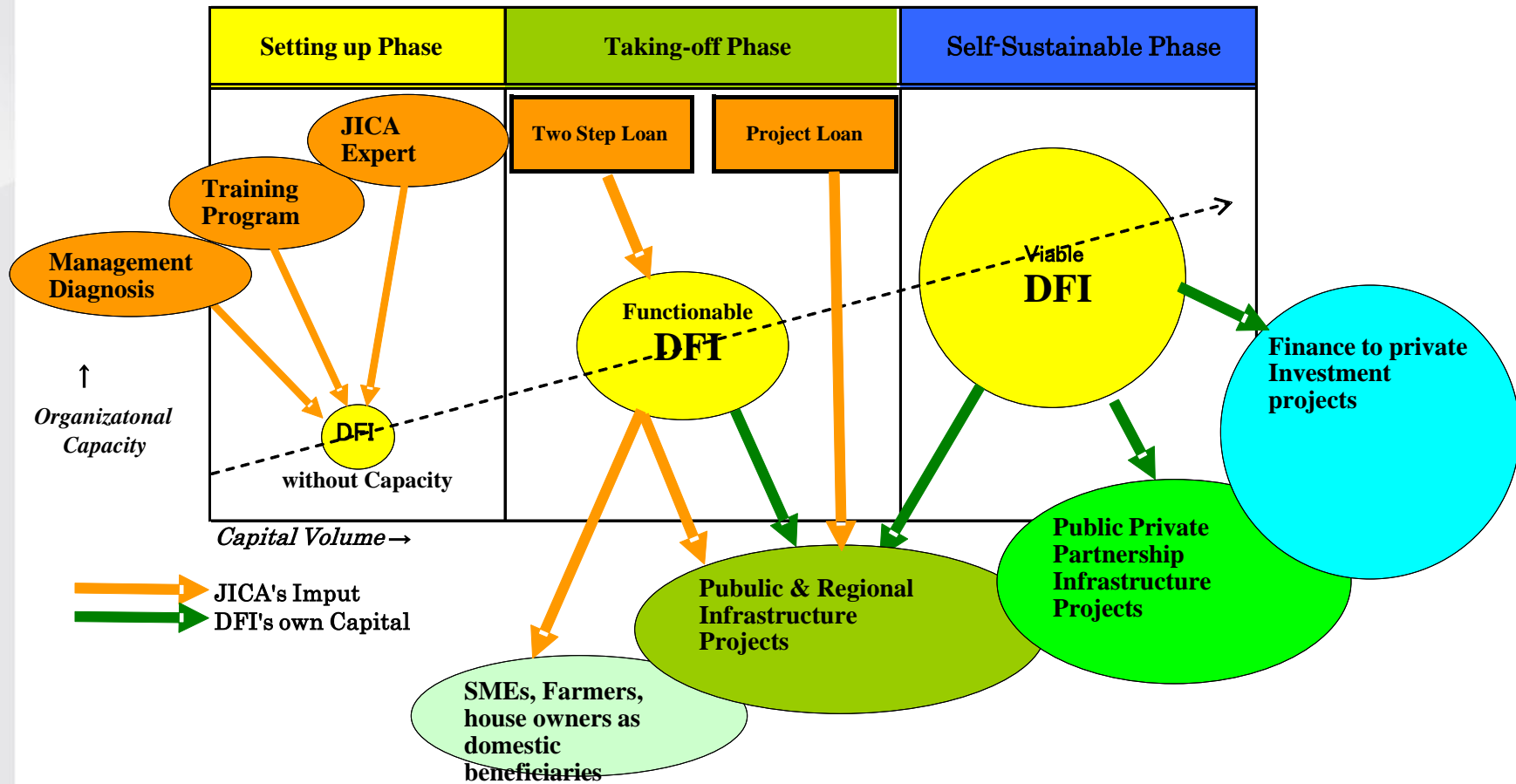
- Further / additional technical corporation for expanding DFI's Institutional and human capacity building.
- Co-finance with JICA ODA Loan for infrastructure development
- Facilitation of JICA's Two Step Loans for promoting infrastructure, local SMEs, agriculture, etc.



Expansion/Self-Sustainable Phase

- Finance to PPP infrastructure projects
- Finance to private investment projects
- Knowledge management for project finding and formulation
- Promotion of project preparation

JICA's Future Cooperation to SADC DFIs



Thank you for your attention