



Monthly Newsflash

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Mid-term Evaluation findings presented to Donors;
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CPDF helps LCCB improve credit risk management system.

Visitors To IFC-CPDF Beth Delaney, YU Yang, Holger Grundel, Edgar Doerig, Dorothy Berry, Laurence Carter, Makiko Toyoda, Liu Dong, Chris Green, and Frank Smit.

People Among Us Mario Fischel, new CPDF General Manager.

News From The Region SME blooming in China.
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Giant panda “Xiangxiang” returned to wild.

Coming Up Soon High-level Investment Promotion Forum to be held on Oct. 18th; and;
SME Corporate Governance Forum slated for Nov. 11th

Recent Business Highlights

CPDF in the Region

CPDF holds its 4th annual donors meeting...



CPDF held its 4th annual donors meeting on Sept. 20th - 22nd 2004. This year marks the successful completion of the first half of CPDF's initial five-year funding period.

During the meeting, a mid-term evaluation report was presented to the donors (DFID, AusAid and SECO), with positive results. The Evaluation Team praised CPDF's achievements and recommended that its operations continue beyond its current five-year cycle and gradually extend to other western provinces. It was agreed that a proposal to this effect would be submitted to the donors in December 2004. (news contributed by Cynthia Song, Communications Officer)

IFC VP Dorothy Berry visited CPDF...



On the occasion of CPDF's annual Donors' Meeting, IFC Vice President Ms. Dorothy Berry & CSM Director Laurence Carter visited CPDF on September 19th –20th, 2004. The event marked CPDF's two and a half years of successful operation in Sichuan. During her visit, Dorothy held a meeting with CPDF staff, and also called on the Secretary-General of the Sichuan Provincial Government Mr. Li Hong Ren on Sept. 20th at a reception organized by CPDF. Dorothy's schedule also included visiting a local SME producing spicy sources, attending a training session provided by a CPDF-trained partner, and meeting with the Sino-Swiss SME Credit Guarantee Company. (news contributed by Cynthia Song, Communications Officer)

Eric Siew, former GM of CPDF going back to HQ...

After spending three years in Chengdu setting up CPDF, Eric returned to Washington, DC at the end of September. At the farewell party, Eric delivered a moving speech to CPDF staff.. The staff would like to think him for putting so much effort into CPDF and for his achievements, and wish him all the best in his future career. (news contributed by Cynthia Song, Communications Officer)

New GM of CPDF, Mario Fischel takes up his post in Chengdu...

Starting from Oct. 1st, 2004, Mario Fischel takes the position as CPDF's new General manager. Mario worked in the Mekong Project Development Facility in 1997, and was General Manager of MPDF from 2000 through 2004. He spent the last 9 months in regional SME coordinator for IFC in Hong Kong. (news contributed by Cynthia Song, Communications Officer)

Business Enabling Environment (BEE)

Publication of report comparing Zhejiang-Sichuan SME business environment...

The final product of the SME Mapping Project, the Sichuan-Zhejiang Comparison Report, was finalized in September 2004. Over 250 copies have been distributed to government agencies and other stakeholders in the two provinces, as well as to several central government ministries in Beijing. The report provides an in-depth analysis of the commonalities and differences in the SME business environment in a coastal province and in a western province, including the policy and regulatory framework and access to finance, business services, and information. The difference of two provinces are mainly in the areas of legal environment, business culture, innovation in the financial sector, development of industrial clusters, the style of regulation, and officials' attitudes towards business. It proposes a series of constructive recommendations to policy makers on how to further improve the environment for SME development in China. (news contributed by the BEE team)

Capacity Building (CB)

7th pilot project sponsored by CIDA Trust Fund...



On Sept. 21st, CPDF signed an MOU with Deyang Mingyuan Power Group Company. This is the seventh pilot project sponsored by the CIDA Trust Fund and co-implemented by CPDF's local partner, King&wood Law Firm. According to the MOU, CPDF and King&wood will help the company to assess its current corporate governance practice and provide

recommendations to address Corporate Governance issues. (news contributed by Chen Quan, Business Development Officer with the CB team)

CG assessment report delivered to Minsheng Shipping...



with the CB team)

CPDF has completed its assessment of Minsheng Shipping Co., Ltd, a private shipping company. On Sept. 17th, the CG team including Chen Quan, Natalya Arabova and Liu Min, visited the company to present its assessment report. The CG team has also conducted a general training on corporate governance to the company, and discussed the improvement plan with the client. The client greatly appreciated both the presentation and the training.(news contributed by Chen Quan, Business Development Officer

New effort to reach more SMEs via local consultants...

In an effort to reach and to deliver high-quality services to more SMEs, CPDF has partnered with local consulting firms. In a pilot case, CPDF signed a mandate and conducted comprehensive diagnostics for a local agribusiness and forestry SME, Zhengdong, to identify areas for improvement. A diagnostics report will be delivered in October. Following the diagnostic phase, CPDF will support SinoWin, one of the CPDF-trained local consulting firms, in the implementation work.(news contributed by Wei Lei, Business Development Officer with the CB team)

ABS meeting held to share experiences and tools among PDFs...

To review the major consultancy development program in different facilities, the SME Department has organized an ABS meeting in MPDF in Ho Chi Minh city on Oct. 4th - 5th. FIRMA2000, the polish consulting firm, has presented its findings to ABS network. Ten keys to best practices in consultant development were identified. Attendees at the meeting praised CPDF's work on BPIP and linkages. (news contributed by Yi Qiyun, Business Development Officer with the CB team)

Financial Sector (FS)

CPDF helps LCCB improve credit risk management system ...

Following the diagnostic assessment of the Leshan City Commercial Bank (LCCB), the FS team and a Canadian risk management specialist were stationed in the bank for more than two weeks. The team interviewed a representative sample of the bank's staff, assisted its management and Board to reach consensus on the direction of its future credit management system, and trained a Working Group on methodologies and approaches for preparing a Credit Manual and developing risk rating and credit scoring frameworks. Commendably, the bank set up a special Working Group of 18 managers and officers to work with CPDF. Members of the Group highly valued the CPDF's training and coaching, which they said had helped them understand why the quality of the bank's loan portfolio was so poor historically, and had given them tools to change the ways that business is conducted. (news contributed by the FS team)

Visitors to IFC-CPDF

- ③ **Ms. Beth Delaney** and **Mr. YU Yang**, of AusAid; **Mr. Holger Grundel** of DFID; and **Mr. Edgar Doerig** of SECO visited CPDF for the annual donor meeting on September 20th – 22nd.
- ③ **Ms. Dorothy Berry**, VP of IFC, **Mr. Laurence Carter**, the newly-appointed SME Dept. Director, **Ms. Makiko Toyoda** of IFC HK, and **Mr. Liu Dong** of IFC Beijing, visited CPDF on the occasion of CPDF's annual donor meeting.
- ③ **Mr. Chris Green** and **Mr. Frank Smit** of SQW presented the evaluation report at the donor meeting on September 21st.

People Among Us



Mario Fischel joined CPDF as the new General Manager on Oct. 1st 2004. Mario had previously managed the MPDF program in Vietnam and spent the last 9 months as regional SME coordinator for IFC in Hong Kong. Mario holds an MBA and PhD in economics, and joined IFC as a young professional in 1989. He is an Austrian national.

News From The Region

Business – SME blooming in China...

The “2004 Top 500 Small & Medium-Sized Business List,” released on Sept. 26th, shows that western China is gaining momentum in SME development, with Sichuan, Sha’anxi and Chongqing taking the lead. Currently, there are about 10 million registered SMEs in China, accounting for 60% of the total, and employing 75% of the total labor force.

Business – Groupama-Gan sets up office in Chengdu...

Groupama-Gan will set up its China headquarters in Chengdu. This is the first time that a leading multinational has chosen Chengdu as the base of its China operations. The company will open 10 business outlets in the city and suburban areas.

Society – Panda “Xiangxiang” returned to wildlife...

Giant panda “Xiangxiang” was returned to the wild at Sichuan’s Wolong Giant Panda Protection and Research Center on September 15th. This marks an important step in the effort to return giant pandas born in captivity to the wild.

Coming Up Soon

- ③ CPDF is organizing a high-level Investment Promotion Forum on Oct. 18th. High-level government officials will attend the forum.
- ③ CPDF is preparing its first Corporate Governance forum, to be held Nov. 11th 2004, in cooperation with the Sichuan Provincial SME Dept.

Comments and/or questions? Contact us at jsong@ifc.org