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Welcoming Remarks at the Opening Ceremony of Training of Trainers Programme (TOT) 2

Credit Analysis and Development Finance in Africa

Remarks by

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YBhg. Datuk Abdul Rahim Mohd Zin, President/Group Managing Director,
Development Bank of Malaysia

Excellencies

African Participants, Colleagues

Members of Media

Selamat pagi dan selamat sejahtera kepada semua para hadirin sekalian

On behalf of the United Nations Development Programme (UNDP), it gives me great pleasure to warmly welcome you all, especially our visitors from overseas, for this Training of Trainers Programme 2. I want to especially thank YBhg. Datuk Abdul Rahim Mohd Zin, President/Group Managing Director, Development Bank of Malaysia for his gracious presence.

UNDP Malaysia is actively engaged in supporting national efforts in promoting interregional South-South Cooperation, particularly Asia-Africa partnerships to strengthen SME Development. And we are delighted to partner with the Development Bank of Malaysia to share good practices in Credit Analysis and Development Finance for SMEs in nine countries in Sub-Saharan. UNDP actively helps support Malaysia's aspirations to achieve development gains in poorer countries through South-South initiatives, including capacity building of the private sector in Africa to engage in trade and investment.

A lack of sufficient finance and access to credit is often cited as a major handicap to the development of SMEs, particularly in their early stages of growth. The overwhelming majority of SMEs tend to rely on the personal resources of their owners, and/or loans from friends and relatives, to finance their enterprises.

The training programmes under Project Credit Analysis and Development Finance have been specially designed to respond to the problems of Development Finance Institutions in Sub-Saharan Africa, to complement the policy and institutional measures being undertaken by participating countries.

The Tokyo Agenda for Action, formulated during TICAD-2 places special emphasis on private sector development for the long-term development of Africa. A successful implementation of a private sector-led growth strategy requires a financial system that is ready and able to provide effective support to the private sector.

Distinguished Guests

Several southern countries have achieved sustained economic growth, reduced poverty and improved human development. Malaysia's successful development, in an ethnically diverse and multi-cultural setting, serves as a source of inspiration for the developing world. In just over a generation, the country has moved from a situation where more than half the population were living in extreme poverty, to currently where less than 5 per cent do so, and to where high human development is the norm.

Malaysian development has followed the East Asian model. Its openness to international trade has led to three and a half decades of rapid export-led economic growth (averaging 6-7 per cent). An open trade policy, coupled with pro-poor growth and equity strategies, have been crucial factors that contributed towards poverty reduction. SMEs have played a key role in Malaysia's enviable track record on poverty reduction. Investment in human capital, especially in health, education and women's empowerment, as well as physical infrastructure, are other hallmarks of the Malaysian model.

SMEs form more than 90 percent of total business establishments in most countries. Being the backbone of their economies, it is important that Governments continuously develop a robust SME sector, including promoting the use of ICT with e-commerce that is able to contribute significantly to the economy. And special attention should be given to support SMEs run by women, as it is women who often face most difficulty in obtaining finance and credit.

Distinguished guests

The main objectives of this training workshop is to train African banking professionals in modern techniques of credit and risk analysis and development finance, with the aim that they will later launch similar training programmes in their respective countries.

This one-month training programme in Malaysia will provide opportunities for participants to network, learn from the experiences of colleagues, as well as create new avenues and partnerships that will be of mutual benefit.

UNDP is pleased to take the opportunity of today's workshop, to launch a publication on Malaysia's Small and Medium Enterprises - Building an Enabling Environment. This Publication outlines Malaysia's success in developing SMEs.

We hope that it might provide insights and ideas that will help participants when they look at SME development in their own countries.

Thank you all and I hope that you have an enjoyable stay in Malaysia.