

# PRESS RELEASE



## ***“Unleashing Entrepreneurship: Nurturing an enabling environment for the growth of small and medium enterprises in Afghanistan”***

Kabul, 2 June 2007 - UNDP in partnership with the Afghanistan Investment Support Agency (AISA) is sponsoring a round table on the promotion of small and medium enterprises (SME) in Afghanistan.

This round table takes place ahead of the **Enabling Environment Conference**, organized by the Aga Khan Development Network; the Government of Afghanistan; the World Bank; Asian Development Bank; and UNDP, from 3 to 5 June, in Kabul.

The Government of Afghanistan views Small and Medium Enterprises as critical to private sector development as they help the economy attain more broad-based uniform growth, and promote an entrepreneurial mentality in the business sector.

Afghanistan's current stage of development is characterized by a low absorption capacity and large-scale investment requirements to rebuild the country's infrastructure. This is a process which may take a long time to complete; however, given SMEs' resilience, adaptability and scalability, they are arguably best suited to Afghanistan's current stage of development and natural partners for a step-by-step approach to economic development. Promoting a favorable climate for SMEs to thrive is therefore key to the successful and lasting economic development of Afghanistan.

The roundtable brings together representatives from the Government, Private Sector, Trade and Investment Support Institutions, Non-Governmental and International Organizations, and aims at discussing a paper prepared with the support of UNDP, for the Enabling Environment Conference, on the impediments to SME development.

This paper on the promotion of small and medium enterprises focuses on a set of five issues that are critical to the development of SMEs, namely:

- i. Taxes, tariffs and customs
- ii. Land registration
- iii. Skills and knowledge development
- iv. Trade promotion
- v. Standards and certification

This paper identifies the impediments which SMEs face, and proposes ways to tackle them. It follows the blueprint set out in UNDP's Unleashing Entrepreneurship 2004 report and concentrates on ways to create an enabling environment for private sector development in general, and SME development in particular.

The keynote address at the roundtable will be delivered by Dr. Mir Mohammad Amin Farhang, Minister for Commerce and Industries, Islamic Republic of Afghanistan. Dr. Omar Zakhilwal, President and CEO, AISA will facilitate the discussions at the roundtable. Ms. Anita Nirody, Country Director UNDP; and Mr. Ian Holland, Deputy Country Director UNDP, will address the roundtable. Lead discussants at the roundtable will include representatives from the Ministries Finance; Commerce and Industries; Labor and Social Affairs; and the Export Promotion Agency of Afghanistan.

The Round Table will be organized in the Diamond Ballroom, at the Safi Landmark Hotel, on 2 June 2007 starting at 8:30 AM.

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