



MINISTRY OF COMMERCE AND INDUSTRY

BUSINESS PLAN

**OCTOBER 2011 – SEPTMBER 2012
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October 2011

Foreword by His Excellency Minister Ahady

Afghanistan has grown strongly since the fall of the Taliban. This growth has been driven by a number of factors, chief among them assistance from our international partners and the return of the Afghan Diaspora, which will begin to wane. If Afghanistan is to have the bright, prosperous future that we all hope for, these sources of growth need to be replaced. This Plan sets out the Ministry of Commerce and Industry's path for achieving this including initiatives to further improve the enabling environment for business, actions to set Afghanistan on the way to an export boom, a renewed focus on ensuring that markets work for all, and action to ensure that consumers are protected from shoddy products and malpractice.

This Plan sets out the prioritised activities that MOCI will take over the next year to assist with the development of the economy. One of the key challenges for the Ministry of Commerce and Industry is to ensure that it has the capacity to deliver on this Plan. As a result, this Business Plan also sets out how it will go about ensuring that that is the case. Obviously, the MOCI will not succeed unless its partners in implementation – donors and the private sector – take concurrent action. I am therefore looking to the private sector to work with us to implement this plan, for companies to engage strongly with government and work towards the jointly agreed goals set out in this Plan.

Much has been done in recent years to make Afghanistan a better place to do business, but we still have a long way to go to create a truly enabling environment for business in Afghanistan. I know that an efficient and effective court system is a must for ensuring the integrity of commercial transactions; I realise that the prevailing security situation is hurting our businesses; I am aware that inadequate power is a serious constraint on our industrial development; I find it very painful when our business community complains about illegal payments that they have to make when they transfer their goods; I realise that most businesses do not have access to normal credit facilities; I know that clear title for land is hard to obtain; and I know that skilled labour and professionals are more easily available in neighbouring countries than Afghanistan.

But this gloomy picture needs to be balanced with a look at the brighter side of doing business in Afghanistan. Afghanistan is still a land of opportunity for entrepreneurs; I still believe that even when we take into account the high level of risk, return on investment in Afghanistan is much greater than in most other parts of the world; I am confident that few countries can match the range of investment opportunities available in Afghanistan today. From gems to aviation, from marble to manufacturing fans and electric washing machines – watch out China, here we come! - from saffron to steel, from cashmere to carpets, Afghanistan is open for business. As we make progress on building our infrastructure, and as the SME sectors expand and large scale mining and hydro-carbon extraction projects come on stream the prospects will become brighter still. This Plan sets out the initial steps for us to realise this enormous potential. If we are to succeed, it will be because we have worked together on the basis of a shared vision.

Finally, and perhaps most significantly, this Plan recognises that many Afghans still need to be persuaded that a market economy will deliver prosperity to all. It sets out a path for more inclusive growth and acknowledges the need to engage with ordinary Afghans and their elected representatives and explain how and why a private sector led economy is the best way for Afghanistan to develop.

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Anwar Ul-Haq Ahady

Minister of Commerce and Industry

Vision Statement

“A socially responsible market economy in Afghanistan, in which sustainable and equitable growth is private sector led and leads to increased employment, higher living standards and the reduction of poverty, in which competition operates for the benefit of all.”

Mission Statement

“To encourage growth through the development of appropriate policies and regulations, and the facilitation of private sector production and trade.”

List of Abbreviations

| | |
|--------|---|
| ACBR | Afghanistan Central Business Registry |
| ACCI | Afghanistan Chamber for Commerce and Industries |
| AISA | Afghanistan Investment Support Agency |
| ANDS | Afghanistan National Development Strategy |
| ANSA | Afghanistan National Standards Authority |
| APTTA | Afghan-Pakistan Transit Trade Agreement |
| APTTCA | Afghanistan Pakistan Transit Trade Coordinating Authority |
| BLD | Business Licensing Directorate |
| BPR | Business Process Reengineering |
| CPCPD | Competition Promotion and Consumer Protection Directorate |
| ECOTA | Economic Cooperation Organisation Trade Agreement |
| EPAA | Export Promotion Agency of Afghanistan |
| ESCAP | Economic and Social Commission for Asia and the Pacific (UN) |
| FLGE | Fuel and Liquid Gas Enterprise |
| IARCSC | Independent Administrative Reform Civil Service Commission |
| IFC | International Finance Corporation |
| IPDA | Industrial Parks Development Authority |
| IT | Information Technology |
| ITAD | Industries' Technical Affairs Directorate |
| ITD | International Trade Directorate |
| M&E | Monitoring and Evaluation |
| MOCI | Ministry of Commerce and Industry |
| MOF | Ministry of Finance |
| NPP | National Priority Programme |
| OAA | Office of Administrative Affairs |
| OECD | Organisation for Economic Co-operation and Development |
| OIC | Organisation for Islamic Co-operation |
| PRD | Petroleum Regulation Department |
| PRID | Public Relations and Information Directorate |
| PSD | Private Sector Development |
| SAARC | South Asian Association for Regional Cooperation |
| SAFTA | South Asia Free Trade Agreement |
| SATIS | South Asia Trade Agreement in Services |
| SME | Small and Medium Enterprise |
| SOC | State Owned Corporation |
| SOE | State Owned Enterprise |
| SOECCD | State Owned Enterprise and Corporation Coordination Directorate |
| SPPD | Strategy Policy and Planning Directorate |
| TIFA | Trade and Investment Framework Agreement |
| TNA | Training Needs Assessment |
| TTFD | Transit and Trade Facilitation Directorate |

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1. Introduction

1.1. Purpose of the Business Plan

This Business Plan sets out the specific actions required to achieve the vision and mission of the Ministry of Commerce and Industry (MOCI) and its strategic objectives as set out in the Strategic Plan 2011-2015, namely to:

1. Improve the Enabling and Regulatory Environment for Business and Afghanistan's DBI¹ Ranking;
2. Improve International Competitiveness and Trade;
3. Industrialise Afghanistan through Increasing Exports and Import Substitution;
4. Ensure that the Private Sector Operates Fairly and Equitably;
5. Ensure Pro-Poor Growth;
6. Promote the Market Economy and Increase Understanding of How it Operates; and
7. Ensure that MOCI has the Capacity to Deliver on its Role

The Business Plan spans the period of the next 12 months from September 2011 to September 2012 and focuses on the objectives, activities and expected outcomes of each of the Directorates by September 2012.

1.2. Overview of the Business Plan

The Business Plan has been structured around working divisions within the Ministry to facilitate reference by individual staff members across MOCI's Directorates. Accordingly, the Business Plan is comprised of the following sections:

Section 1 – Introduction: This section provides a situational analysis of the Ministry, including a summary of achievements and challenges over the last twelve months, and an overview of the Ministry structure for 1390 (2011-2012).

Sections 2 – 5: These sections outline the responsibilities of Directorates or work units within each division (Private Sector and Industries Development, Trade, Administration, and Direct Reporting to the Minister) along with their specific objectives, activities and expected outcomes over the course of the next twelve months².

Section 6 – Stakeholder Mapping: This section provides an overview of core partners in the public and private sector as well as the Ministry's influence through Cabinet, Economic Sub-Committee, the Private Sector Development Cluster and the High Commission on Investment.

¹ Doing Business Indicators

² This core information was generated by each individual Directorate or work unit

Section 7 - Monitoring and Evaluation: This section provides information about how the Ministry will monitor and evaluate progress on the Business Plan.

1.3. Situational Analysis

Overview

The Ministry of Commerce and Industry has made significant strides in the last twelve months, channelling its resources more effectively to improve the operating environment for Afghan businesses.

However, the enormity of the shift from the Ministry's focus and values prior to 2001, to its present day orientation cannot be underestimated. The then Ministry of Commerce operated in a state owned and controlled economy and the attitudes, structures and skill sets required of the Ministry in that context have taken time to change. It is only slowly that MOCI is starting to shed its pre-2001 skin and better understand and deliver on its role in a market economy.

In this modern cast, the Ministry has identified its key roles as policy-maker, facilitator and regulator³, and these remain the core instruments through which the Ministry will act.

Policy-Maker

In its role as a policy maker, the Ministry has come a long way over the last year, having developed a national level Industrial Policy, in which the Ministry has prioritised sectors and areas of growth, and placed a premium on infrastructure, judicious use of tariffs, effective trade policy, improving the quality of Afghan products through standards and innovation, and active intervention in the market place to assist Afghan businesses to move up the value chain. This policy is underpinned by an SME Strategy and a set of six more detailed Sector Action Plans, spanning agri-business, carpets, cashmere, construction materials, marble and gems. MOCI's policy and strategy framework for SMEs has also set growth targets across the prioritised sectors, with an amalgamated projection of 1 million new jobs generated by 2016, and official exports reaching \$3.8 billion within five years⁴.

Whilst this may appear excessively optimistic, consideration of the individual sectors prioritised in these policy documents gives credence to these ambitions; there are nine white cities being created in Turkmenistan using Afghanistan's white marble; Afghanistan's SME carpet traders recorded over \$12 million sales in just one trade fair last year⁵, and Afghanistan's agri-products are increasingly penetrating regional and international markets⁶.

³ MOCI Business Plan, 2009-2010

⁴ These figures are based on base data from the IMF Statistical Appendix, combined with MOCI Internal Data, and interviews with MOCI, ASMED, Harakat and other private sector development partners. The targets were agreed on by DAI consultants who supported the development of the SME Strategy and are included in the final document: SME Strategy, MOCI, December 2009.

⁵ Domotex Trade Show, Hannover, Germany 2010 (the world's premier flooring trade show). This was a 400% increase on sales at the same event in 2009.

⁶ Wardak and Paktia apples, weekly shipments of 75 MT between November – December, 2009.

Elsewhere, MOCI has drafted a Fair Competition Policy, a Consumer Protection Policy and developed an Administration Manual to guide the support functions within the Ministry. Moreover, the Ministry has started the process of reviewing its policy on Industrial Parks, as a first step to advocating for reform in this area.

However, the challenge ahead will be the successful implementation of these policies and this is an area where MOCI still has had limited experience. Moreover, a number of key policy gaps remain such as a Trade Policy for Afghanistan and a clear policy statement on SOEs. This Business Plan therefore has a dual focus in the area of policy - both on effective implementation of existing policy, as well as the design of fresh, evidenced-based policy in areas where it currently does not exist.

Facilitator

As facilitator, the Ministry helps align organisations, such as donors, NGOs, business associations, investors, foreign trading partners and others that can support businesses. This role also includes engaging directly with businesses to understand and respond to existing and emerging constraints through the design and encouragement of public private partnerships, and the formulation of the most suitable rules and procedures to stimulate full use of available resources.

In this capacity, the Ministry provides advice directly to donors and NGOs to guide funding towards projects that will have a real, tangible impact on businesses. For example, MOCI has recently worked with the World Bank to start the implementation of the New Market Development Project – a \$22 million project which aims to provide targeted training and technical support to 750 businesses or business associations across four Afghan provinces.

In relation to trade, the Ministry has ratified the Afghanistan Pakistan Trade and Transit Agreement (APTTA) in the last year. Moreover, the Ministry has completed the tariff reduction plan for the South Asian Association for Regional Cooperation (SAARC) – as part of the South Asian Free Trade Area (SAFTA); produced recommendations for reform of border ports and continued its work in supporting Afghan companies to attend international trade fairs and exhibitions through EPAA (Export Promotion Agency Afghanistan).

There is, however, a long way to go for MOCI to be a model facilitator for private sector growth. In the ambit of trade, the Ministry needs to improve implementation of APTTA on the ground, as well as acceding to WTO and signing trade agreements with core Central Asian partners. Moreover, facilitation of access to land and utilities through Industrial Parks is hampered by poor governance arrangements and a weak record on affordable rent prices and reliable power supply.

Regulator

Regulation in Afghanistan is at a reasonable stage of development, with Afghanistan ranking 25 out of 183 countries surveyed by the World Bank⁷ for establishing a business, and the Ministry is

⁷ World Bank, Doing Business Indicators, 2011

currently implementing a Business Licensing Reform Programme⁸ to create a more transparent, comprehensive and inter-connected licensing regime.

The last year has also seen MOCI's renewed commitment to ensure that Afghan businesses operate in a fair, competitive environment and that consumers are protected from sub-standard products. The Ministry is currently in the process of updating the Competition Law for Afghanistan; has hired a firm to re-draft the Consumer Protection Law, and has started to establish the administrative, organisational and institutional frameworks for the Competition Promotion and Consumer Protection Directorate (CPCPD) within the Ministry.

In a similar vein, the Ministry has established a Petrol Regulation Department with the aim of improving the management, regulation and operations of the petroleum industry in Afghanistan and by so doing reducing the volatility of prices and ensuring that retail prices are reasonable.

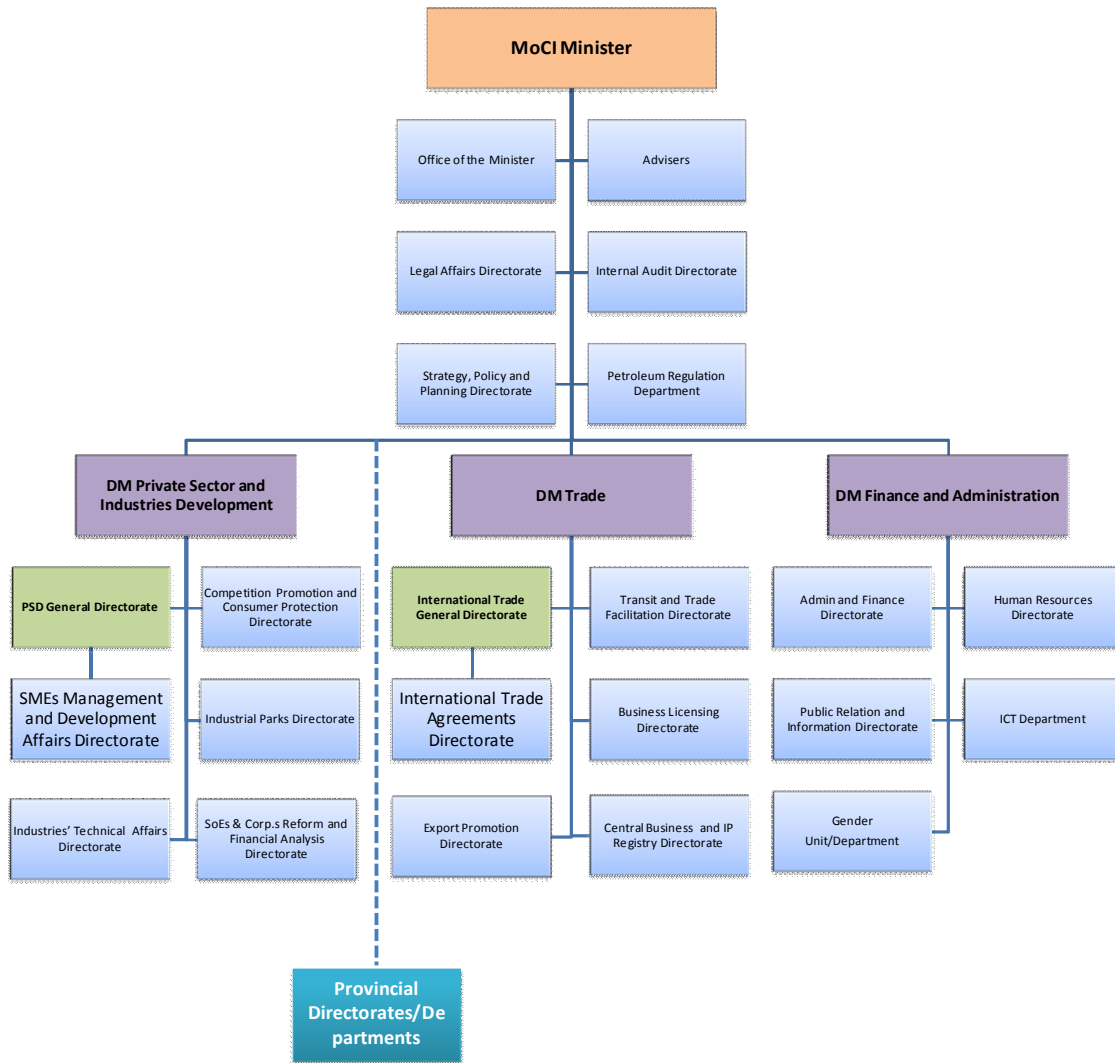
However, much of the work in the area of regulation can be considered 'first steps'; it will take some years before the CPCPD is fully operational with the capacity to effectively enforce the laws which guide its work. Moreover, businesses still suffer from red tape and unwieldy regulatory processes in areas such as licensing, exporting and investment into the country (it is notable that in the World Bank's DBIs, Afghanistan ranks 183 out of 183 for both Trading Across Borders and Protecting Investors indicators⁹). Going forward, MOCI will have a role both directly leading regulatory reforms within MOCI as well as advocating for reforms with partner Ministries and Agencies.

1.4. Organisational Structure

To equip the Ministry for its role in policy creation, regulation and facilitation, MOCI has completed the structural Pay and Grading reform review, part of the Government's Public Administration Reform (PAR) Programme led by the IARCSC. This process has included a revision and re-alignment of the Ministry's structure to bring together similar areas of policy responsibility and to better balance the roles between policy development, facilitation and regulation across Directorates and work units. The following diagram outlines the high level structure of the MOCI for 1390, as a result of the Pay and Grading exercise.

⁸ Commenced in August 2010. Funded by Harakat and implemented by the IFC (International Finance Corporation).

⁹ Doing Business Indicators, World Bank, 2011



At the time of writing, implementation of the Pay and Grading reform has been completed for the Business Licensing Directorate; the Central Business Registry; the International Trade Directorate; Administration and Finance Directorate, and the Human Resources Directorate, with short listing and interviewing of candidates underway for a further seven Directorates.

2. Private Sector and Industries Development

2.1. Private Sector Development

The function of the General Directorate for Private Sector Development is developing and implementing appropriate policies for enabling private sector growth and investment in co-ordination with key partner Ministries and Agencies. Given the critical role in setting the policy direction in this area, the General Directorate has an important contribution to a number of MOCI's high level Strategic Objectives for 2015, primarily: improving the enabling and regulatory environment for business and Afghanistan's DBI ranking; industrialising Afghanistan through import substitution, and ensuring pro-poor growth.

Previously, these policy functions were led at the Directorate level. However, in accordance with the recommendations of the Pay and Grading review team, these activities are now led by the General Directorate for Private Sector Development, encompassing the SMEs Management and Development Affairs Directorate.

In its policy development capacity, the General Directorate has developed and consulted on the Industrial Policy for Afghanistan, supported by both the SME Strategy, approved by Cabinet in December 2009, as well as the six Sector Action Plans that outline the specific actions required to support growth across priority sectors. The responsibility of implementing the Action Plans lies squarely with the General Directorate and the SMEs Management and Development Affairs Directorate.

The General Directorate has an additional role in developing and implementing a package of measures to encourage greater formalisation of the Afghan economy, for example improving access by Afghan firms to public contracts and supporting ACBR in its efforts to expand its services further into the provinces. The General Directorate of PSD will also work closely with the General Directorate for International Trade by participating in meetings, conferences, forums, negotiations of agreements and the WTO accession process, as and when they relate to SME and private sector related issues.

To most effectively fulfil its role, it is important for the General Directorate to maintain contact with the private sector to better understand the evolving needs and concerns of Afghan businesses, with a concomitant role in relaying the policy direction and support activities of MOCI back to the business community. Therefore establishing and maintaining appropriate mechanisms with which to consult with the private sector is core to the General Directorate's role going forward.

The predominant focus over the next twelve months will be implementing the Sector Action Plans through appropriate co-ordination bodies; developing and implementing an overall action plan for DBIs; finalising the Industrial policy and SME Policy, and developing an appropriate formalisation policy. Special attention will also be given to the implementation of the World Bank funded New Market Development Project which is currently in its launch phase.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|--|---|
| To establish appropriate structures and data resources to support SME development | Hiring an SME Director and relevant advisors | SME Directorate operationalised Implementation commenced for the 6 Sector Action Plans |
| | Establishing a Secretariat and sector working groups to implement the SME Strategy and the 6 Sector Action Plans | |
| | Undertaking targeted research relating to SMEs | |
| | Creating coordination mechanisms between interrelated sectoral departments such as Business Licensing, ACBR, EPAA, and relevant TA within the Ministry | |
| | Undertaking study tours to learn the lessons of successful SME development in other countries | |
| To work as a Secretariat for the Private Sector Development (PSD) Cluster | Finalising the National Priority Programme document in consultation with donors | Better co-ordination of the PSD Cluster programme |
| | Submission of the final NPP to the JCMB for approval | |
| | Preparing work plans and reports on a quarterly basis and submitting them to the Cluster Secretariat at MOF | |
| | Coordinating all PSD Cluster issues with relevant directorates of MOCI and external stakeholders | |
| To develop clear plans to increase formalisation in the Afghan economy | Drafting, consulting on and finalising the Formalisation Strategy to encourage more SMEs to register with the Government | Formalisation Strategy completed |
| | Drawing up plans for implementing the Formalisation Strategy | |
| To finalise implementation of the Industrial Policy for Afghanistan | Consulting on and finalising the Industrial Policy | Final draft of the Industrial Policy submitted to Cabinet |
| | Identifying tangible projects to implement the Industrial Policy, to supplement those already identified through the six Sector Action Plans | |
| To improve the environment for doing business, as specified by the World Bank Indicators | Participating in doing business sessions and assuming the lead responsibility for the project | The General Directorate for PSD takes the leading role in the doing business working groups |
| | Strengthening the five working groups on DBIs | |
| | Forming a committee at the Deputy Ministerial level to make decisions based on the recommendations made by the working groups | |
| | Reporting on doing business progress, in consultation with the World Bank | |
| To improve co-ordination and working relationship with key stakeholders (spanning the public and private sector and the donor community) | Identifying key stakeholders in related Government ministries / agencies, representatives from the private sector and donors | Constructive relationships built with the private sector, partner Ministries / agencies and the donor community |
| | Establishing a forum for public private dialogue, as sanctioned by the Minister | |
| | Participating in seminars for the private sector and donors to incorporate related topics at the end of each quarter | |

| Objectives | Key Activities | Outcomes |
|---|---|---|
| | Sharing of the PSDGD action plan with donor community regarding prioritised projects | |
| | Undertaking regular meetings with donors | |
| To establish the Project Management Unit (PMU) within MOCI to manage and implement the New Market Development Project | Establishing a Project Management Unit (PMU) for the New Market Development Project with assistance and support from the World Bank | PMU operationalised The four NMDP provincial offices are operationalised |
| | Providing guidance, advice and oversight of the PMU's start-up activities | |
| | Establishing the provincial offices for the NMDP in Kabul, Herat, Jalalabad and Mazar-e-Sharif | |
| To collaborate with MOCI Directorates to achieve desired goals | Cooperating with the General Directorate for International Trade to comment and prepare answers to WTO questions, and participate in relevant meetings and negotiations | The interests and views of the private sector are taken on board in WTO negotiations |
| To develop the capacity of staff in the General Directorate for PSD | Conducting training needs assessment (TNA), in collaboration with HRD | Improved capacity within the General Directorate in order for it to discharge its functions effectively |
| | Drafting the capacity building plan for the employees of PSDGD | |
| | Initiating implementation of the capacity building plan | |

2.2. Competition Promotion and Consumer Protection

The Competition and Consumer Protection Directorate (CPCPD) exists to ensure effective competition in the marketplace and that consumers are protected from sub-standard or over-priced products and services. The overall aim of the work of the Directorate is to contribute to MOCI's fourth strategic objective for 2015 – 'to ensure that the private sector operates fairly and equitably'.

However, the Directorate has not yet developed the basic requirements to fulfil its role, with the absence of an updated Competition Law and Consumer Protection Law, a lack of policy in these areas, no standard operating procedures, and negligible analysis and investigation skills amongst staff members.

However, CPCPD is now entering a new phase, thanks to a renewed focus on this critical policy area from both the Ministry and donors. This focus is evidenced in two ways. First, the Directorate has been prioritised for the implementation of Pay and Grading recommendations and has secured a Director through the World Bank's Management Capacity Programme (MCP). Second, the Directorate has received financial and technical support from ASI, CTAP (Civilian Technical Assistance Programme) and Harakat to ensure that the administrative, organisational and institutional frameworks are in place for CPCPD to meet its responsibilities in the long-term. Importantly, these projects include the following:

- Finalisation of the legal and policy framework for completion and consumer protection

- Development of administrative systems such as operational manuals to guide the evolution of CPCPD's work
- Establishment of a database to house and analyse information on price series data
- Development of data analysis and investigation skills of CPCPD staff
- Development and implementation of outreach systems, materials and activities to inform businesses of their responsibilities under the new legal and policy framework

Many of the activities outlined for the Directorate over the course of the next year focus on this foundation by hiring relevant training expertise through the donor support projects mentioned above, and rolling out these key foundation activities.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcome |
|--|---|---|
| To develop the administrative structures and technical capacity of CPCPD | Recruiting the three Department Directors through Pay and Grading reform: Fair Competition, Consumer Protection and Outreach and Communications | Improved capacity of CPCPD |
| | Recruiting Competition, Consumer Protection and Outreach Advisors through CTAP | |
| | Recruiting a Departmental level Consumer Protection Expert, Competition Expert and Outreach Expert through Harakat | |
| | Drafting a full Capacity Building Programme covering topics related to economics, legal and anti-competitive practices | |
| | Initiating implementation of the Capacity Building Programme | |
| | Undertaking exchange visits to a Consumer Protection agency and Competition agency in the region | |
| To finalise the legal and policy framework for competition | Consulting on the draft Competition Law | Competition Law finalised and enacted |
| | Finalising and submitting a final draft of the Competition Law to the Ministry of Justice | |
| | Finalising the Competition Policy | Competition policy finalised and in operation |
| To finalise legal and policy framework for consumer protection | Drafting the Consumer Protection Law through a firm hired by Harakat | Consumer Protection law finalised and enacted |
| | Finalising and submitting the draft Consumer Protection Law to the Ministry of Justice | |
| | Finalising the Consumer Protection Policy | Consumer Protection policy finalised and in operation |
| To initiate the Fair Competition and Consumer Protection Departments' operations | Designing data collection processes for commodity prices and other key data | Agreed processes and protocols for Fair Competition and Consumer Protection |
| | Rolling out implementation of the data collection processes for prices and other key data | |

| Objectives | Key Activities | Outcome |
|--|--|---|
| | Establishing CPCPD database for storage and analysis of data | Departments set out in Standard Operating Procedures Manuals CPCPD database established and in operation |
| | Developing criteria and methods for assessing anti-competitive activities and infringements of consumer rights | |
| | Developing Standard Operating Procedures Manuals for both departments including investigating and assessing alleged anti-competitive activities / infringements of consumer rights | |
| To initiate the Outreach and Communication Department's operations | Finalising a Communications Strategy for CPCPD | Agreed processes and protocols for Outreach Department |
| | Developing a Standard Operating Procedures Manual for the Outreach Department | |

2.3. Industrial Parks

The nominal role of the Industrial Parks Directorate is to manage and upgrade the 16 Industrial Parks and three carpet parks for which it has responsibility, and to develop new Industrial park sites in order to supply suitable volumes of quality industrial land and utilities to private sector investors and supply new land at reasonable prices. As such, the Directorate has an important role to play in achieving MOCI's strategic objective number one: 'improving the enabling and regulatory environment for business and Afghanistan's DBI ranking'.

However, the Industrial Parks Directorate is not the only body in Afghanistan with responsibility in this area – the Industrial Parks Development Department of the Afghanistan Investment and Support Agency (AISA) has responsibility for the management of six industrial parks. Moreover, in 2009, AISA developed an Industrial Parks Development Strategy which proposed the establishment of an independent Industrial Parks Development Authority (IPDA) to assume the role and responsibilities of both MOCI and AISA in this area. This proposition subsequently received Cabinet approval later in 2009.

Whilst the concept of an independent authority is sound, the scope, legal status and reporting structures of the IPDA outlined in AISA's strategy require review and revision. As a result, MOCI developed an up to date briefing paper on the governance arrangements of industrial parks in 2011. Provisionally, the briefing paper recommends that neither MOCI nor AISA resumes full responsibility for Industrial Parks¹⁰, but that a new Statutory Authority responsible for Industrial Parks is established¹¹ under MOCI.

¹⁰ This is on the basis that MOCI is subject to the policies and regulations of central government agencies (MoJ, MoF and IARCSC's) which will limit its ability to operate in the private sector property market. Meanwhile AISA is not considered an appropriately structured authority, lacking suitable governance and financial arrangements.

¹¹ A number of caveats are attached to this recommendation, such as the need for strong reporting, accountability and financial provisions set out in legislation, including Ministerial powers of direction, and that the new authority should capture the expertise that currently exists with AISA.

This briefing paper is currently under review by the Minister and relevant parties (AISA, World Bank, USAID, etc.). It is likely to take months to finalise, and significantly longer to come into effect. Therefore, the scope of work of the existing Industrial Parks Directorate in MOCI will remain focused on the traditional roles of oversight and upgrade of those parks under its management, along with some initial preparation for reform.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|--|--|
| To establish new industrial parks | Undertaking a feasibility and technical study of new industrial parks in Takhar and Baghlan with the help and support of stakeholders and relevant Ministries | Feasibility studies for parks in Takhar and Baghlan completed |
| | Starting the establishment of new industrial parks for carpet manufacturers in Herat, Jowzjan and Balkh provinces based on the Cabinet approved recommendation and after the completion of detailed plans from the Ministry of Urban Development | |
| To develop and extend Industrial Parks spaces | Developing detailed plans for infrastructure (access roads, power, water and other requirements) for industrial parks in Balkh, Kandahar, Parwan, Nangarhar, Herat, Helmand , Khost and Pul-e Charkhi Kabul | Infrastructure plans for at least 1 park completed |
| | Building surround walls for industrial parks of carpet manufacturers in Nangarhar province | Contract Walls built around the Carpet |
| | Meeting with private sector entrepreneurs to receive proposals and business plans for use of MOCI's parks | Manufacturers' Park in Nangarhar |
| To improve co-ordination with the Ministry of Energy and Water on provision of utilities to park sites | Meeting with the Ministry of Energy and Water to discuss strategies for more reliable provision of power to industrial park sites | Better co-ordination between MOCI and MEW |
| To support reform efforts for Government arrangements of Industrial Parks | Providing information and support to the reform team, as necessary | Plans for reform are informed by knowledge in the IP Directorate |
| | Undertaking a skills review of staff to determine needs | |

2.4. Industries' Technical Affairs Directorate

The Industries' Technical Affairs Directorate monitors the technical and productive aspects of MOCI's State Owned Enterprises (SOEs) and State Owned Corporations (SOCs) and ensures optimum use of these assets. In this way, the Directorate has a part in achieving the first strategic objective of the Ministry 'to improve the enabling and regulatory environment for business and Afghanistan's DBI ranking'.

The SOEs managed by ITAD, exhibit varying levels of activity or non-activity, as follows:

| No. | SOE | Status | Notes |
|-----|---|----------------------|---|
| 1 | Bagrami Textile Enterprise | Partially functional | Leased to small enterprises |
| 2 | Herat Cotton Textile (Project) | Partially functional | Leased to private investors CFI and Traitex (as of 2011 so not yet operational) |
| 3 | Kandahar Textile Yarn Enterprise | Defunct | Property is under maintenance |
| 4 | Kandahar Wool Weaving | Defunct | Property is under maintenance |
| 5 | Balkh Textile Enterprise | Partially functional | Producing yarn as an SOE |
| 6 | Helmand Bust Enterprise | Functional | Producing cotton, oil and soap as an SOE |
| 7 | Balkh Gin and Press Enterprise | Partially functional | Leased to private investor, NAPCOD, currently operating at a profit |
| 8 | Spinzar (Kunduz) Gin and Press Enterprise | Partially functional | Leased to private investor, NAPCOD, currently operating at a profit |
| 9 | Helmand Mixed Enterprise (carpentry) | Partially functional | Operating within a joint venture with the private sector |

The management of ‘technical aspects’ refers to both the operations of the enterprises, as well as their condition, such as damage and decay to the fabric of buildings or equipment. One of the core functions of this Directorate is therefore gathering and monitoring up to date information on the SOEs and SOCs under its management and identifying means to respond to these issues.

The other significant role of the Industries’ Technical Affairs Directorate is working alongside the SOEs and SOCs Co-ordination Directorate (SOECCD) to identify opportunities to make better use of MOCI’s assets both to support the private sector and to increase revenue to the Government. The ITAD has two successful examples in this role over the last year. First, it has supported the leasing out of four units of the Herat Textile Mill to two international investors who wish to operate a cashmere processing facility on the site. Second, it has supported the leasing out of the derelict Gereshk Cotton Factory to allow for it to be converted into a Business Park and cold storage centre.

The ITAD’s work over the next 12 months therefore includes overseeing the implementation of this initiative, as well as identifying further opportunities to maximise the Ministry’s commercial assets.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|--|---|
| To gather accurate and up-to-date data on the technical and operational aspects of MOCI’s SOEs and | Gathering monthly, quarterly and annual technical reports from all enterprises under MOCI and summarising them for distribution to key stakeholders on a quarterly basis | Up to date records of the technical status of MOCI’s SOEs and SOCs Stakeholders updated with |

| Objectives | Key Activities | Outcomes |
|--|--|---|
| SOCs | | technical affairs of SOEs and SOCs |
| To ensure the enterprises' technical needs are met | Studying and reviewing procurement orders for machineries, chemical substances, and industrial agencies' materials which are provided by MoCI to enterprises | Clear understanding of the technical needs of the SOEs and SOCs |
| To make optimum use of MOCI's industrial assets | Drafting a report outlining viable opportunities for private investment into MOCI's enterprises, in collaboration with the SOECCD | Clear list of investment opportunities relating to MOCI's SOEs and SOCs At least one new investor leasing out an MOCI property |
| | Meeting with the two investors of the Herat Textile Mill to provide any relevant technical advice and support for the setting up of their cashmere processing business | |
| | Reviewing proposals for further investors to the Herat Textile Mill | |
| | Undertaking a visit to the Kandahar Wool Textile enterprise to explore opportunities for private sector investment | |
| | Meeting with DFID to discuss options for local cotton businesses at Helmand Bost | |
| | Resolving rent issues relating to the Textile buildings of Herat, through co-ordination with the Afghan National Army and ISAF | |
| To ensure MOCI's policy framework takes full account of the role of the agencies | Providing inputs into MOCI's ongoing work on industrial policy, as requested by the Minister or DM for Private Sector and Industries Development | Industrial Policy reflects the current status of MOCI's SOEs and SOCs |
| To build the capacity of the Industries Technical Affairs Directorate | Undertaking a TNA (Training Needs Assessment) for the Directorate, in collaboration with HRD | Improved capacity within the Directorate |
| | Initiating basic English and IT training | |

2.5. State Owned Enterprises and Corporations Co-ordination

The State Owned Enterprises and Corporations Co-ordination Directorate (SOECCD) is responsible for monitoring and overseeing the financial management, accounting affairs and budget sheets of MOCI's SOEs and SOCs. As such, the Directorate has a responsibility for providing technical training on valuation of assets, accounting and balance sheet analytical techniques, and financial auditing to enable staff in the enterprises to perform standard financial functions. Like the ITAD, which is responsible for the technical aspects of SOEs and SOCs, this Directorate supports the Ministry's first strategic aim to improve the enabling and regulatory environment for business and Afghanistan's DBI ranking by ensuring MOCI's assets are put to best use, for the benefit of businesses.

However, significant capacity barriers remain in this area, as was highlighted by the recent SWOT (strengths, weaknesses, opportunities and threats) analysis undertaken as part of the strategic planning process for 2011. During this exercise, the executive team identified gaps in the Ministry's financial management skills, especially when more detailed and sophisticated financial reporting is required, as is the case with the SOECCD.

Furthermore, SOECCD has a responsibility for co-ordinating with the work of the ITAD to determine strategically useful and politically viable futures for SOEs that support the private sector.

In accordance with this aim, one of the key objectives over the next year will be the assessment and provision of advice on privatisation or retention of currently functional and viable businesses, coupled with focusing on training within the Directorate and amongst staff in the SOEs and SOCs.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|---|---|---|
| To review the financial status of SOEs and SOCs and determine viable options for reform | Assessing the financial affairs of all SOEs and SOCs under MOCI management to determine their suitability for reform | A list of MOCI's assets that are considered suitable for reform ¹² |
| | Assessing the financial affairs of all offices in ports under MOCI management to determine their suitability for reform | |
| To implement those reforms which have received approval from Cabinet | Starting the process of clearing moveable and non moveable assets of: <ul style="list-style-type: none"> • Fuel and Liquid Gas Enterprise (FLGE) • Tawoni and Tejarti • Afghan- Turk • Afghan Industries enterprise • Chamber of Commerce and Industries | Clearing of moveable assets of those MOCI properties approved for reform commenced |
| | Transferring cleared moveable and non moveable assets of FLGE | |
| To support the decision-making process of MOCI's SOEs and SOCs | Participating in the High Council of Firms ¹³ meetings (reviewing the agenda, listening to the comments of the members and following up decisions, in cooperation with MOF's Enterprise Directorate) | To ensure MOCI management's views are reflected in the financial decisions of its SOEs and SOCs |
| | Participating in meetings of the Board of Directors, (reviewing the agenda, listening to the comments of the members and following up decisions, in cooperation with MOF's Enterprise Directorate) | |
| To oversee the accounting affairs of MOCI's SOEs and SOCs | Reviewing financial statements from MOCI's SOEs, SoCs and offices in ports for the relevant years they have been produced ¹⁴ | The financial reports of MOCI's assets reviewed |
| | Evaluating the financial plans for 1390, and accompanying | Financial plans for MOCI's assets for |

¹² This could range from service / management contract to divestiture

¹³ The Council consists of the Minister for Commerce and Industry, the Director for SOECCD, an authorised representative from both MOF and MOE, and the Head of the SOE concerned.

¹⁴ Please refer to the SOECCD's work plan for details as to the years covered for each individual enterprise

| | | |
|--|---|---|
| | indicators of MOCI's SOEs, SoCs and offices in port | 1390 reviewed |
| To enhance the accountancy skills of SOE and SOC staff | Providing mentorship on financial planning and reporting, and providing relevant training material to SOEs and SOCs | Improved capacity of SOEs and SOCs to produce financial plans and reports |
| To develop plans to enhance the capacity of SOECCD employees | Developing a TNA for the SOECCD, in collaboration with the HRD Directorate | A clear plan for capacity development for the Directorate |

3. Trade

3.1. International Trade

The General Directorate for International Trade provides guidance and advice on the negotiation and monitoring of all trade agreements (bilateral, regional and international). The General Directorate is also charged with pursuing a tariff reduction plan in line with negotiations with SAFTA and the Industrial Policy for Afghanistan: “The Government reconfirms its commitment to an open economy characterised by generally low tariffs.”¹⁵

More broadly, the General Directorate’s work includes setting out a Trade Policy for Afghanistan and providing a full network of commercial attachés and trade diplomats as contact points with key global trading partners.

Together, the General Directorate’s activities are vital to achieving MOCI’s strategic objective to improve international competitiveness and trade, as well as providing critically needed guidance on MOCI’s third objective: ‘to industrialise Afghanistan through increasing exports and import substitution’, through the analysis undertaken as part of the Trade Policy.

To discharge its role effectively, the General Directorate for International Trade is required to engage with traders to ensure that the Ministry is responsive to their problems and that their interests are represented in MOCI’s trade related activities. This is particularly important in the coming year as the General Directorate focuses on drafting the Trade Policy for Afghanistan; ensuring better implementation of existing agreements (notably APTTA), and progressing with WTO, SAFTA, ECOTA and a number of bilateral agreements.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|---|--|--|
| To implement the South Asia Free Trade Area (SAFTA) agreement | Adopting the tariff reduction plan in line with SAFTA Trade Liberalisation Programme | Afghanistan is admitted into the SAFTA agreement |
| | Addressing issues relating to preferential rules of origin and sensitive lists | |
| | Participating in SAARC meetings and future negotiations rounds | Tariff reduction plan is implemented |
| | Monitoring and evaluating SAFTA Implementation | |
| To complete the ratification process of SATIS | Carrying out negotiations and consultations towards ratification of SATIS | Negotiations on SATIS commenced |
| To implement the Economic Cooperation | Negotiating on ECOTA’s Sensitive, Negative and Positive lists | ECOTA is enforced |
| | Enforcing ECOTA after submission of lists by Tajikistan | |

¹⁵ Whilst tariffs are ultimately the domain of Customs and Revenue, the General Directorate has a role to play in guiding policy to facilitate the completion of trade agreements, favourable to Afghan traders.

| Objectives | Key Activities | Outcomes |
|--|---|---|
| Organisation Trade Agreement (ECOTA) | Preparing and adopting Tariff Reduction Plan | |
| | Participating in ECO Meetings and future negotiations rounds | |
| To progress accession to WTO | Holding second Working Party Meetings at Geneva and responding to questions raised subsequent to meeting | Core documentation prepared for WTO accession (new legislation, conformity checklists, information on service sector) |
| | Forming sectoral working groups to prepare market access offers | |
| | Preparing initial market access offer on goods and services | |
| To support TTFD in exploring trade facilitation initiatives with a wider range of trading partners | Undertaking annual bilateral meetings with Kazakhstan, Turkey, China and Iran | Identification of promising trade negotiations to pursue in 1391 |
| | Participating in Trade and Economic Commission Meetings of Turkmenistan, Tajikistan, Russia, in collaboration with TTFD | |
| | Undertaking bilateral meetings with the USA regarding TIFA (Trade and Investment Framework Agreement), in collaboration with TTFD | |
| To prepare a draft of the trilateral Afghanistan, Tajikistan and China Agreement | Co-ordinating with TTFD to prepare a draft of the trilateral agreement in collaboration with the two other key parties | Trilateral agreement with Tajikistan and China signed |
| | Consulting with key Afghan stakeholders on the draft agreement | |
| | Signing the agreement | |
| To support cross border Trade Agreements with Central Asian countries | Supporting TTFD through participation in preparatory meetings with key partners (Tajikistan, Kyrgyzstan and in CAREC meetings) | Closer relationships with and better understanding between Afghanistan and its Central Asian trading partners |
| To actively engage with other regional organisations ¹⁶ | Increasing participation in regional organisations and conferences | Relationships built between the Directorate and wider regional organisations |
| To promote trade and investment in Afghanistan | Developing tighter TORs and undertaking a greater level of monitoring and supervision of the trade attaché offices to ensure a greater level of support to Afghan traders | Higher profile of Afghan traders abroad |
| | Facilitating the participation of Foreign Traders in Afghan trade Exhibitions and easing the transfer of their products for the exhibition (including supporting issuance of visas) | |
| | Assisting Afghan traders in establishing business offices in foreign countries | |
| | Facilitating the registration of business Trade Marks in collaboration with the ACSR | |
| To develop a Trade Policy for Afghanistan | Analysing the current trade regime | A completed trade policy for Afghanistan |
| | Building a model to assess the impact of trade liberalisation on the Afghan economy and assessing Afghanistan's comparative advantage by sector | |
| | Developing and finalising the Trade Policy for Afghanistan | |

¹⁶ Such as the Organisation for Islamic Conference (OIC), TRACECA, SPECA and Shanghai Cooperation

| Objectives | Key Activities | Outcomes |
|--|---|--|
| | Undertaking the DTIS (Diagnostic Trade Integration Survey) study for Afghanistan | |
| To build the capacity of the General Directorate for International Trade | Undertaking training courses in English and Computer Literacy for General Directorate staff | Improved capacity of staff in this General Directorate to better perform their functions |
| | Undertaking WTO training for a minimum of three members of staff ¹⁷ | |
| | Undertaking agreement specific training on CAREC, ECO and SAARC to build expertise in these areas | |

3.2. Transit and Trade Facilitation

The Transit and Trade Facilitation Directorate (TTFD) is responsible for developing the policies, infrastructure and co-ordination mechanisms needed to ensure efficient transit arrangements within and outside of Afghanistan in order to further international trade. Overall, it is a central actor for achieving MOCI's second strategic objective to improve international competitiveness and trade through efficient, low cost transportation of Afghan goods within and beyond Afghanistan's borders.

This role entails encouraging the further development of private sector transit related services, particularly freight forwarding, and encouraging public and private industry partnerships aimed at creating inland terminals or dry ports, freight and logistics centres. In this vein, the Directorate is additionally responsible for overseeing the legal and regulatory framework for licensing freight forwarders and international carriers.

The TTFD also has the role to oversee cross-border traffic management at the ports; developing policy to address land and air based cargo issues, and reducing and removing barriers which hamper effective cross-border and transit corridor operations. This includes examining the feasibility of establishing a border port authority (the Portal Services Joint Venture Firm) to manage transit and trade.

The work of the TTFD also complements that of the International Trade Directorate in providing input to trade negotiations and preparing Afghanistan for accession to the five remaining international conventions, recommended by ESCAP (Economic and Social Commission for Asia and the Pacific). In this capacity, co-ordination and collaboration with the private sector is integral to the Directorate's work such as making available all information about transit traffic rules and procedures through Transit Enquiry Points and publications.

For the year ahead, the Directorate will focus on a range of activities relating to the reform of border ports management, improvement in regulation for cargo and goods transit, and addressing specific transit issues with key trading partners such as China, Tajikistan and Iran.

Objectives, Activities and Expected Outcomes

¹⁷ The training will be targeted towards the sectoral working groups and the negotiations team to prepare and undertake market access negotiations

| Objectives | Key Activities | Outcomes |
|--|--|---|
| To implement the Afghanistan Pakistan Transit Trade Agreement (APTTA) | Operationalising APTTA (guarantees, tracking devices, sealed trucks) | APTTA operationalised |
| | Establishing a Co-ordinating Authority for APTTA (APTTCA), including business rules, dispute settlement procedures and prioritised work plan for 2012-2013 | APTTCA established |
| | Developing and rolling out an APTTA awareness plan and materials to key stakeholders | |
| To renew and implement key transit agreements beyond APTAA | Identifying and responding to existing problems relating to transit arrangements in force beyond APTAA, and renewing or amending agreements accordingly | Ratified transit agreements function more effectively |
| To negotiate cross border Trade Agreements with Central Asian countries particularly Kyrgyzstan and Tajikistan | Holding preparatory meetings and preparing elements of draft agreements with key Central Asian partners, in collaboration with ITD | Closer relationships with and better understanding between Afghanistan and its Central Asian trading partners |
| | Undertaking visits to border crossing points of both countries | |
| | Negotiating and finalising the CBTA (Cross Border Trade Agreements) between Afghanistan and the two countries | |
| | Participating in CAREC meetings | |
| To explore trade facilitation initiatives with a wider range of trading partners | Accompanying ITD on annual bilateral meetings with Kazakhstan, Turkey, China and Iran, where relevant | Identification of promising trade negotiations to pursue in 1391 |
| | Participating in Trade and Economic Commission Meetings of Turkmenistan, Tajikistan, Russia, in collaboration with ITD | |
| | Undertaking bilateral meetings with the USA regarding TIFA (Trade and Investment Framework Agreement), in collaboration with ITD | |
| | Negotiating GSP (Generalised System of Preferences) and transit trade agreements with Iran and other neighbouring countries | |
| To standardise MOCI's approach to drafting agreements | Analysing international conventions relating to trade and transit facilitation | MOCI adopts standardised approach for drafting agreements |
| | Developing clear guidelines for use of conventions into Afghanistan's transit agreements | |
| To re-activate the TIR ¹⁸ convention | Holding meetings with relevant organisations to agree on TIR logistics and procedures | TTFD is better prepared for re-activation of TIR |
| | Arranging training workshops for employees of TIR | |
| To ensure the use of Iranian port of Chah-bahar for Afghan traders | Initiating discussions with Iran and local authorities in Chah-bahar to obtain transit benefits | Afghan traders are legally allowed to use the Chah-bahar port |
| | Introducing Afghan transporters in Chah-bahar | |

¹⁸ The TIR is an International Customs transit system that allows the goods to transit from a country of origin to a country of destination in sealed load compartments with Customs control recognition along the supply chain. It minimises administrative and financial burdens. Additionally, Customs duties and taxes that may become due are covered by an international guarantee.

| | | |
|--|--|--|
| To draft regulations for a cargo system | Developing regulations for the establishment and operation of cargo agencies | Regulation for cargo agency drafted |
| To start the establishment of a single agency ¹⁹ to manage portal services | Submitting a proposal for the creation of a Portal Services Joint Venture Firm (PSJVF) to the relevant authorities | Proposal for establishment of Portal Services Joint Venture Firm approved by relevant authorities Private sector aware of opportunity to invest in Portal Services Joint Venture Firm |
| | Establishing a committee to manage the planning and implementation of the PSJVF | |
| | Determining the total capital of all ports | |
| | Drafting and submitting statutes of the Portal Services Joint Venture Firm to MOJ | |
| To design plans for the development of new ports and modernisation of old ports | Holding an event in which to communicate the opportunity to invest in this initiative to interested private sector parties | A plan for ports development and modernisation developed |
| | Feasibility study to establish new border ports with neighbouring countries based on the trade and transit volume in the country | |
| | Obtaining the relevant country's agreement on establishing new port between the two countries | |
| To explore opportunities for private transit services | Obtaining Cabinet approval for ports development projects | Closer contact between the TTFD and the private sector |
| | Initiating meetings between the private sector and transit facilitation users | |
| To distribute lands in the Sher-Khan commercial town for provision of services by the private sector | Preparing procedures for the distribution of lands in commercial town and zone of Sher-khan port | Sher-khan facilities leased to the private sector |
| | Starting the distribution of lands by the assigned commission | |
| | Supervising the activities of the firms that obtain lands according to the procedures | |
| To prepare regulation for goods transit through the Islamic Republic of Afghanistan | Preparing draft regulations on goods transit in consultation with key stakeholders | Goods transit regulation submitted to MoJ |
| | Sending draft regulation to the Ministry of Justice | |

3.3. Export Promotion

The Export Promotion Directorate (branded as the Export Promotion Agency Afghanistan or EPAA) has a core role in facilitating export growth in Afghanistan, working alongside the General Directorate for International Trade and the Trade and Transit Facilitation Directorate.

EPAA's functions include serving as the central coordination point for export information with the private sector; facilitating attendance at international trade fairs and exhibitions; training traders in

¹⁹ Portal Services Joint Venture Firm

marketing techniques, and facilitating the process for exporters to obtain Certificates of Origin. As such, the Directorate makes an important contribution to MOCI's strategic objective to improve international competitiveness and trade, as well as to improve the enabling and regulatory environment for business and Afghanistan's DBI ranking through its establishing One-Stop-Shops for export documentation.

The Directorate's focus on exports is in keeping with the Industrial Policy for Afghanistan and MOCI's SME Strategy both of which stress the importance of expanding exports to increase growth in the long term:

"The Government acknowledges the key role that exports play in driving productivity and prosperity and it further acknowledges that while import substitution is important, given the size of the Afghan market and the degree of protection provided by expensive transport links and slow and costly export processes, import substitution does not provide the same imperative to constantly improve productivity and will be accorded a lower priority."²⁰

This assessment is based on the fact that Afghanistan has natural resources and skills to deliver quality exports, coupled with the significant demand in neighbouring countries for these products, such as the Indian market for dried fruits and nuts.

Guided by this policy, the Export Promotion Directorate will direct its efforts over the next year towards increasing exports to trading partners where there is proven demand for Afghan products, as well as in new markets where Afghanistan has yet to gain a foothold. Moreover, the Directorate will work to furnish Afghan traders with the information and skills required to market their products better, and improve the governmental processes for exports, in collaboration with Customs and Revenue.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|---|---|---|
| To increase exports to existing markets such as India, Saudi Arabia, Russia and UAE and start export to new markets such as Germany and the Netherlands | Facilitating participation of Afghan Exporters to two regional/International exhibitions (South Asian Commodity Fair, China and Domotex Carpet International Fair, Germany) | Exports increased by 20% within 12 months |
| | Organising 10 buyer-seller meetings ²¹ | |
| | Establishing Trade Offices in major markets such as India, Dubai, Turkey and Germany | |
| | Initiating the establishment of cargo villages in Kabul and Kandahar | |
| | Establishing a coordination mechanism among agencies supporting value chain and exports | |
| Attending up to 10 regional and international conferences/ | | |

²⁰ Industrial Policy, 2011, Ministry of Commerce and Industry

²¹ The focus here will be in Kabul, Russia, India and during the above mentioned exhibitions in China and Germany)

| Objectives | Key Activities | Outcomes |
|---|--|---|
| | meetings on export related issues to improve knowledge and awareness of export related issues and potential solutions | |
| To build the capacity of exporters on export techniques and marketing tools | Conducting pre-exhibition trainings for 50 exporters | Afghan exporters better informed and better skilled in marketing their products |
| | Providing useful material on international trade terms and practices through EPAA's publications | |
| | Facilitating export mentoring programme offered by CBI (the agency for supporting imports into European markets from developing countries) | |
| To remove red tape constraining exports, in collaboration with the GD for International Trade | Establishing One-Stop-Shops for export documentation in Kabul, Kandahar and Mazar, in collaboration with the Ministry of Finance | Reduction in cost and time for Afghan traders to export their products |
| Provide advocacy services to exporters | Assessing exporters problems and conveying their needs, views, suggestions, problems to relevant public and private sector organisations | Better understanding of exporters' needs and concerns within Government |

3.4. Business Licensing

The Business Licensing Directorate is responsible for the administration of six licences: four trader (both importers and exporters) licences, one for freight operators, and a licence for brokers operating on behalf of the Ministry. It also issues licences in order to ensure that only fit and proper persons are able to traffic goods into, through and out of Afghanistan. In such a way, the success of this Directorate in improving and simplifying procedures in this area, will be important for MOCI to achieve its strategic objective to improve the enabling and regulatory environment for business and Afghanistan's DBI ranking.

MOCI's licensing processes were reviewed in 2004, from which some streamlining resulted. A further report in 2008 offered a number of options on how best to improve licensing performance with recommendations ranging from the creation of a central licensing authority to act as a one stop shop for all government licenses through to abolition of some MOCI licences. The International Finance Corporation (IFC) is currently implementing some of these recommendations by reforming the six trade licences under MOCI's administration with a view to reducing their costs and complexity and increasing the transparency of the licensing process by clearly documenting how and why they are issued to businesses. However, the IFC project is still in its infancy and it will take time to see tangible results from this exercise.

Going forward, the main functions of this Directorate will include working towards the reformed process of preparing and issuing licences to corporations, individuals, transit and forwarding, and cooperatives.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|--|--|
| To build a computerised database for the Business Licensing Department | Hiring an IT consultancy to undertake automation of the business licensing function | Computerised database for BLD completed |
| | Completing automation activities for Kabul | |
| To establish the Client Service Unit (CSU) | Establishing the one stop shop for trader licences | Client Service Unit established and operational |
| | Moving the relevant Departments to the Client Service Unit | |
| | Visiting Tajikistan's CSU to gain insights into other countries' arrangements for licensing one stop shops | |
| To reform the regulatory and legal framework for licensing to allow for streamlined business processes | Undertaking a baseline study to determine current business licensing procedures (through IFC) | Legal framework and BLD Directives updated to reflect a more efficient licensing process |
| | Re-drafting the legal and regulatory framework (notably the Commercial Law) in line with planned reforms | |
| | Updating BLD's Directives in line with the newly drafted Commercial Law | |
| To build capacity in the Business Licensing Directorate | Conducting a Training Needs Assessment for BLD Staff, in co-ordination with HRD | Improved capacity of staff in the Business Licensing Directorate |
| | Developing a training plan to address the needs identified in the TNA | |
| | Hiring training providers to undertake training activities outlined in the training plan | |
| | Initiating implementation of the training plan | |
| To improve coordination with AISA and ACBR | Initiating meetings with AISA and ACBR to inform them of recent updates to the legal and regulatory framework for licensing (see above activities) | Better understanding between BLD and AISA and ACBR |
| | Initiating the repatriation of business licensing activities from AISA to BLD in MOCI | |
| To establish six zonal offices | Initiating the first phase for connecting six zonal offices with the new computerised database | Six zonal offices operational |
| | Initiating the first phase for authorising the zonal offices for issuing new and renewed Business Licences | |

3.5. Central Business Registry

The Afghanistan Central Business Registry (ACBR) is responsible for overseeing the process of businesses establishing themselves as legal entities in Afghanistan, either as partnerships, limited liability companies or corporations. As such, the ACBR provides registration services for businesses intending to operate in Afghanistan, ensuring an appropriate operating name, Tax Identification Number (TIN), completion of all legal requirements and publication in the Official Gazette. The Directorate therefore has a significant role to play in achieving MOCI's strategic objective of improving the enabling and regulatory environment for business and Afghanistan's DBI ranking.

Moreover, this Directorate is responsible for maintaining records on the nature of the businesses established and providing information on business registration in compliance with the laws of Afghanistan.

Given its scope of work, the ACBR has a key role to play in the Government's initiatives to formalise the economy and this Directorate is therefore charged with devising a systematic approach to enhancements that will encourage rapid growth of registration, and expanding geographic coverage of its service delivery to cover additional provinces. The activities for the ACBR over the next twelve months therefore focus on objectives relating to service improvements and expansion into the provinces.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|---|--|--|
| To improve accuracy of data held on businesses | Implementing quality control processes for data held on registered businesses and other related statistics | More accurate and up to date data on businesses held in ACBR records |
| To streamline and simplify the registration process | Recommending and negotiating a reform process for ACBR with all relevant authorities (TAX dept. for TIN, MoJ on Official Gazette, the bank on paying registration fees, AISA, BLD, etc.) | A business registration process with a lower time and money cost to businesses |
| | Assessing and streamlining a set of required documents for registration (including registration application form) in accordance with the law | |
| | Developing a format for registered business to submit their annual report to ACBR, in accordance with the law | |
| | Rolling out streamlined processes to ACBR 's provincial offices | |
| To establish Intellectual Property (IP) Registration department | Drafting IP registration procedures | Plan for Trade Mark registration developed |
| | Mapping out current and future processes for Trade Mark registration | |
| | Developing a Trade Mark registration plan in consultation with key stakeholders | ACBR-IP Department staff trained in Trade Mark Registration |
| | Training ACBR-IP Department staff on Trade Mark registration | |
| To improve the ACBR IT application and its maintenance | Developing a new process for data validation | ACBR's data validation application operationalised |
| | Revising, testing and implementing data validation process | |
| | Developing automatic electronic data sharing between the ACBR application and MoCI website | |
| | Updating ACBR technical documentation | Automatic electronic data sharing between the ACBR application and MoCI website in place |
| | Introducing Multiple Locale Language Support (ACBR IT Application Interface) | |
| | Adjusting ACBR IT Application for Minimised Internet Bandwidth e.g. 5kbps/5kbps | |
| | Undertaking ongoing application maintenance | |
| To update the legal framework for business registration | Reviewing and finalising ACBR's regulations (including naming procedures) | Relevant laws updated in line with ACBR reforms |
| | Finalising the legal framework for intellectual property rights, following on from draft amendments undertaken by EGGI | |

| Objectives | Key Activities | Outcomes |
|--|---|---------------------------------------|
| | Amending the Corporations and LLC law | |
| | Amending the Partnerships law | |
| To improve ACBR office infrastructure | Completing migration from VSAT to Digital Subscriber Line (DSL) | ACBR on DSL |
| | Providing ongoing maintenance of infrastructure | |
| To expand ACBR to Paktia | Assessing feasibility study of Paktia ACBR office | Clear decision on expansion to Paktia |
| To expand ACBR's outreach | Publishing updated weekly/monthly statistics on registered businesses | Improved communication of data |
| ACBR Training and Capacity Building Programmes | Securing donor funding for technical assistance and training ²² | Improved capacity of ACBR staff |
| | Delivering training on the new changes and improvements to the ICT/ACBR application | |
| | Training all ACBR staff on the registration process and the legal framework that underpins it | |

²² USAID's EGGI programme which previously supported the ACBR has now come to an end.

4. Finance and Administration

4.1. Human Resource Management

The Human Resources Directorate (HRD) has a critical role to play to ensure that MOCI has the human resource capacity to fulfil the Ministry's responsibilities and achieve its strategic objectives. It can therefore be considered a prominent actor for achieving MOCI's higher strategic objective for 2015, of ensuring that MOCI has the capacity to deliver on its role.

HRD has responsibilities for human resource planning and organisational and individual capacity development. This includes implementing the Pay and Grading reform, as well as conducting training needs assessments across the Directorates and implementing training and development programmes within MOCI. In response to resource planning initiatives, HRD also has a responsibility to attract and retain people, ensuring fair and effective recruitment procedures, and encouraging staff performance, commitment and morale through remuneration and working conditions²³. The direction of HRD's work in these areas will be informed by the results of the Employee Survey of December 2010 which provides insights into the views of staff in relation to MOCI as an employer and workplace.

There is also an administrative dimension to the work of HRD such as managing and maintaining personnel records, as well as monitoring and logging performance of all staff. Having developed a performance management system over the last twelve months, the Directorate now has the responsibility of implementing that system to provide clear standards and feedback on individual performance against those standards. Implementation of the system will also provide a link between individual performance, attitudes and behaviour and the overall goals, culture and values of MOCI.

Over the course of the next year, HRD will focus primarily on successful implementation of the Pay and Grading reform, continuing the foundation work referenced in chapter 1.4. It will also improve administrative functions; undertaking the planning and execution of skills development programmes, in co-ordination with all line Directorates, and rolling out the performance management system.

Objectives, Activities and Expected Outcomes

| Objectives | Activities | Outcomes |
|--|--|--|
| To develop an organisational culture and structure (Tashkeel) to ensure a productive, efficient, transparent and accountable ministry with significant presence in the | Reviewing MoCI's functions, strategic objectives and current organisational structure (Tashkeel) and preparing Ministry's Tashkeel proposal for 1391 | MOCI's structure is appropriate for delivering on its strategic objectives |
| | Developing ToRs for new/revised positions | |
| | Developing and implementing gender policies to improve gender balance within the Ministry, in collaboration with the Gender Unit | |

²³ These activities address many of the specific weaknesses identified for the SWOT (strengths, weaknesses, opportunities and threats) assessment undertaken by the Ministry's Executive Team as part of its Strategic Planning process. See MOCI Strategic Plan, 2011-2014 for more details.

| Objectives | Activities | Outcomes |
|--|--|---|
| provinces | | |
| To attract and recruit competent and qualified new employees to the ministry through fair, open and merit based recruitment process to ensure quality service delivery | Developing and implementing annual recruitment plan in line with the Pay and Grading reform | Appropriately skilled candidates and advisers recruited to MOCI |
| | Filling Tashkeel positions under Pay and Grading within HQ and provincial offices through an open and merit based recruitment process | |
| | Attracting and appointing qualified professionals to key ministry positions through donor supported programmes (MCP, CTAP, WB, PIU, Super-scale) | |
| To provide training and capacity building opportunities to MoCI employees | Conducting a comprehensive TNA across the Ministry, in collaboration with MOCI Directors and heads of units | Improved capacity amongst existing MOCI staff |
| | Developing an organisation wide annual training plan based on the annual TNA and the performance appraisal report | |
| | Developing a training budget and submitting to the Finance Department in time for budget circular 1 | |
| | Implementing appropriate training programmes | |
| | Encouraging organisational learning and identifying opportunities for internal trainings within MoCI | |
| | Developing electronic training database which holds training records for all staff | |
| | Developing an induction programme for new employees | |
| To ensure continuous improvement in performance through managing and coordinating the employees' Performance Appraisal process | Developing and implementing an annual performance appraisal plan for staff | MOCI staff performance effectively monitored and assessed |
| | Informing ministry staff of the performance appraisal process | |
| | Conducting staff performance appraisal process on staff's anniversary dates in accordance with the IARCSC guidelines | |
| To manage and maintain high quality, up to date, secure and confidential records for all ministry staff | Creating and maintaining accurate, up-to-date, secure and complete personnel records files for all ministry staff | Accurate and up to date records on staff performance |
| | Establishing an electronic personnel records management system and personnel records / information transcribed to the new system, in collaboration with IARCSC | Staff rewarded in accordance with their performance |
| | Managing staff's rewards and promotion to high grades and pay scales under P&G and on due time | |
| To ensure a sound, safe and stable work environment | Handling staff appeals and grievances in compliance with IARCSC appeals procedure | Core administrative documents are readily available to staff |
| | Establishing a library of relevant laws, regulations, procedures, manuals and other official documents | |
| | Developing internal guidelines on occupational health, safety and welfare, and train ministry staff on these issues | IARCSC appeal procedure operationalised |

4.2. Administration and Finance

This Directorate has a dual responsibility for managing and co-ordinating the financial and administrative affairs of the Ministry. As such, the Directorate has a leading role in achieving the Ministry's supporting strategic objective for 2015 – 'to ensure that MOCI has the capacity to deliver on its role'.

Budgeting

The Budgeting Department within the Directorate is responsible for budget formulation for the Ministry; oversight of the execution of the ordinary and development budget, and reporting to the Ministry of Finance.

Over the last twelve months, the Finance Department has received Technical Assistance (TA) from USAID to support better programme budget formulation in the ministry in line with MOF guidelines. The Department has also benefitted from a Financial Management Review undertaken by a DFID funded team. The Review identified a number of recommendations to the Departments, and provides the following insights into its current operations and performance:

- **Formulation of budgets:** The Finance Department has successfully aligned its budget programmes with the MOCI structure, in accordance with MOF guidelines for programme budgeting. However, the Department has not yet established a budget formulation timetable, leading to late submission of budget documents at all stages of the budget development process. Moreover, there is no documented evidence (agenda/minutes) of the Programme Budget Implementation Team's (PBIT) activities or decisions in 1388 and 1389 and the Department is unable to provide the Ministry of Finance with accurate budget costings due to the weak planning skills of line Directorates.
- **Budget execution:** The Finance Department has exhibited a strong performance for execution of the recurrent budget in recent years, but remains very weak in executing the development budget.
- **Reporting:** The Finance Department has exhibited sound performance on reporting to MoF through the Afghanistan Financial Management Information System (AFMIS)²⁴, and to the Ministry of Economy. The lack of reporting to ANDS has been noted but has been viewed as a product of the lack of instructions, guidelines or reporting templates received from the relevant bodies, rather than a failing of the Finance Department.

Accounting

The Accounts Department is responsible for management of the payments process within the Ministry. According to the Ministry of Finance's records cited in the Financial Management Review, the Department shows a comparatively strong performance in this area; on average the Department

²⁴ The AFMIS is a comprehensive computerised system that records budgets, tracks expenditures and revenues, generates financial reports, transfers transactions and prints cheques. It was created in 2002 in the MoF Treasury. The system has been introduced to all the budgetary units, which are required to submit their financial management reports through AFMIS to MoF.

processes 80 invoices per month, with a total processing time²⁵ of 7 days which compares favourably with other Ministries.

Procurement

One of the major administrative functions of this Directorate is the procurement, supply and purchase of equipment, tools and buildings in accordance with the needs and requests of the Ministry.

MOCI's procurement systems and processes are based on the Procurement Law and the Procurement Guidelines and Procedures for the Government of Afghanistan. In accordance with the law, the Procurement team in this Directorate assembles a Finance Committee and a Technical Committee to formally evaluate bids; works to ensure that the opening and the closing of a bid is a wholly confidential process, and keeps records on these processes both manually and electronically.

In terms of capacity in this area, MOCI's Procurement Department employs six fulltime staff with experience of contract management relating to the development budget and the procurement of fuel, stationary, and so on. These staff members have been trained on more than one occasion by the Procurement Policy Unit (PPU) at the Ministry of Finance in order to interpret and apply the instructions set out in the law. However, the Unit will be spread thinly in the coming year, due to the need to equip the new building constructed on the MOCI site; the influx of advisers for whom the Ministry is obliged to provide furniture and stationary (such as CTAP and PIU experts), and the launch of the World Bank's New Market Development Project which will require the Ministry to accommodate a team of thirteen to the Project Management Unit (PMU). In order to support the expansion of the Procurement Unit's activities, the New Market Development Project will hire a Procurement Manager and Procurement Assistant who will provide additional guidance and support to the unit.

General Services

Additional administrative functions of this Directorate include overseeing the maintenance of the ministry's buildings and managing the transportation and maintenance of MOCI vehicles. The Directorate has also recently assumed responsibility for construction issues, previously under the remit of the Strategy, Policy and Planning Directorate. Moreover, it has been proposed to the IARCSC that the Directorate includes a position for a medic to service Ministry employees under the 1391 tashkeel. If accepted, this would be an additional area of activity for the Directorate from March 2011.

Over the course of the next twelve months, the Administration and Finance Directorate will focus on undertaking its core administrative functions in accordance with the law, as well as implementing the recommendations made in the Financial Management Review to improve internal processes and communication with MOF.

²⁵ This includes processing from both the Ministry of Finance and the Ministry of Commerce and Industry.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|---|--|
| Budgeting: To ensure the Ministry receives the necessary budget to achieve its objectives for 1390 in compliance with MOF, the Ministry of Economy and ANDS | Requesting allotments from MOF based on the approved budget for 1390 and distributing to relevant units | Ministry receives its budget for 1390 in a timely manner |
| | Requesting allotments from the development budget based on the development projects' plan | MOCI is in compliance with MOF for programme budgeting |
| | Ensuring the PBIT operates in accordance with the MOF guidelines | |
| | Providing simple guidelines and templates to MOCI Directorate staff for use at each stage of the budget development process | |
| | Preparing the ordinary and development budget for 1391, in accordance with programme budgeting requirements of MOF | MOCI Directorate staff better able to fulfill MOF requirements for accurate costings |
| | Improving the coordination between PIU Programme Officers and MOCI staff to cover the immediate requirements of the Ministry in relation to project costings | |
| | Assigning a committee of MOCI key players to develop MOCI's projected year plan in accordance with ANDS | MOCI reports reach MOF, Ministry of Economy and ANDS, in line with their timelines and conventions |
| | Establishing an M&E system and database for collecting and storing data on performance indicators. | |
| | Preparing and submitting financial expenditure reports to MoF on a monthly and annual basis through AFMIS | |
| Reporting to Ministry of Economy on progress of development projects, in accordance with their reporting conventions | M&E system for storing data established | |
| Accounting: To ensure MOCI payments, including wages, are made in a timely fashion | Preparing bills for: <ul style="list-style-type: none"> • Salaries and expenditure of central staff • Salaries and expenditure of external branches • Requests from staff for overtime • Travel (internal and international) • Transportation of wheat gifted by India | Payroll and other expenditure payments managed efficiently and effectively |
| | Developing systems for tracking and monitoring timeliness and accuracy of all payments | |
| Procurement: To provide MOCI with the required goods and services at reasonable cost and adequate quality | Providing key goods such as vehicle and generator oil and lubricants, food and refreshments, etc. according to the Procurement Law and guidelines | MOCI has the goods and services required to achieve its objectives |
| | Distributing official letter heads, templates, forms and stamps to units centrally and in the provinces | Value for money in MOCI's procurement of goods and services is ensured |
| | Preparing and processing contracts for stationary and renting vehicles | |
| | Finding appropriate prices for additional required good and services in a timely manner | |
| | Providing technical input (engineering and environmental) for construction related contracts | |
| | Undertaking a full review of all infrastructure and development projects, including an assessment of delivery options such as the outsourcing of projects to private sector providers | |
| | Hiring the Procurement Manager and Procurement assistant under the World Bank's New Market Development Project | |

| Objectives | Key Activities | Outcomes |
|--|--|---|
| General Services: To maintain the fabric of MOCI buildings and their operations | Undertaking a range of ad hoc operational tasks including maintaining, repairing and painting related buildings, cleaning the ministry premises, preparing lunch, registering properties, etc. | Ministry buildings are well maintained |
| | Arranging the contracted vehicles for MOCI staff's transportation to and from the Ministry | Efficient transportation of Ministry staff ensured |
| | Repairing the Ministry vehicles as required. | |
| Directorate-wide: To improve the capacity of Directorate staff | Undertaking a TNA of the Directorate in collaboration with HRD, taking due account of the capacity related recommendations outlined in the Financial Management Review | Improved capacity of Administration and Finance Directorate staff |

4.3. Information Technology (IT)

The core roles of the Information Technology (IT) Department include developing and maintaining reliable, sustainable and technically sound operating systems, networks, email, shared drives and internet access. Given the increasing importance of ICT in the activities of the Ministry (both day to day administration and specific applications in Directorates such as ACBR and the Finance Department), the IT Department assumes particular importance for the Ministry in successfully realising MOCI's seventh strategic objective of ensuring that MOCI has the capacity to deliver on its role.

The IT Department is also responsible for managing a help desk and providing ongoing support to staff on all approved applications. Moreover, the IT has a responsibility to introduce security and anti-virus measures to MOCI IT systems; create IT procurement and usage policies for the Ministry, and to develop IT literacy of staff throughout the MOCI (this includes facilitating the provision of relevant IT trainings).

In June 2010, USAID produced an Information Technology Roadmap which provided guidance on the priorities over the next period of the IT Department's work. The objectives, activities and outcomes for the year ahead are faithful to the priorities identified in the Roadmap.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|---|--|---|
| To establish databases for core data relating to MOCI | Establishing a standard online wages database for the Accounts Department in collaboration with MoF | An MOCI Wages Database established |
| | Developing plans for an electric attendance system including 'swipe cards' for the Ministry staff in collaboration with the HR Directorate | Coherent plan for electrical attendance developed |
| To maintain and extend MOCI's IT infrastructure | Connecting the Torgondi border reporting system with the Ministry through VPN | Extended network of MOCI users |
| | Providing modern equipment and networks for the new MOCI building (location of BLD and CPCPD offices) | |
| | Maintaining and servicing all IT hardware - computers, | |

| Objectives | Key Activities | Outcomes |
|--|---|---|
| | printers, photocopier machines, etc. | |
| To improve MOCI security through IT | Installing security cameras into the new BLD | Tighter security in main Ministry buildings |
| | Establishing and setting up security locks accessed by swipe cards, for all main doors of the ministry | |
| To improve management of the helpdesk | Developing a rota for regular contact with each Directorate to address specific IT issues emerging | Improved internal monitoring system between IT Dept and other MOCI Directorates |
| To provide reliable internet of appropriate capacity | Connecting MoCI to AFTL system through Ministry of Communications and Information Technology in order to have access to 3 MB internet | Faster, more reliable internet connection for MOCI staff |
| | Developing an ITC policy for better usage of information and technology and provision of faster systems | ITC policy developed |
| To provide the necessary software and hardware to MOCI staff | Providing new software programmes including Anti-virus software, Office register, Windows register, etc. | Upgraded hardware and software for the Ministry |
| | Purchasing hardware (printers, scanners, photocopiers, etc) where gaps remain ²⁶ | |

4.4. Public Relations and Information

The Public Relations and Information Directorate (PRID) is charged with improving the image and credibility of MOCI and managing Ministerial relationships with external stakeholders. Its focus on formulating and communicating messages, places the PRID at the fore of the work required to achieve MOCI's sixth strategic objective 'to promote the market economy and increase understanding of how it operates'.

The role of the PRID includes maintaining relationships, not only with industry, but with donors and partners in Parliament and elsewhere in Government. This Directorate also has the responsibility for accurately representing MOCI in the national and international media; through publicity of MOCI initiatives and achievements, and appropriate management of unforeseen issues or challenges that arise. Finally, the PRID will assume the responsibilities of speech writing, previously managed by the Office of the Chief of Staff.

There is, however, a separate dimension to PRID's work which relates to the inflow of information into the Ministry to raise awareness amongst MOCI staff of external changes that could have an impact on the Ministry's core activities.

However, much of the work of the Directorate in this coming year will focus on building the relationships externally and mastering the new function of speech writing.

²⁶ The Office of the Chief of Staff is co-ordinating donor funding and support for IT equipment. There is an indication that ISAF may provide funds for IT hardware for the Ministry in the coming 12 months.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|---|--|
| To raise the profile of MOCI initiatives and achievements | Developing and implementing a strategic communications framework that will build key stakeholder relationships and guide publication of specific MOCI initiatives | A strategic communications framework for MOCI |
| | Developing and implementing an MOCI brand and image to promote the MOCI to the public & private sectors | A brand for MOCI |
| To build support for a market economy | Developing a strategy and action plan for building the understanding of and commitment to a market economy | A clear strategy for promoting the market economy |
| To co-ordinate communications with external stakeholders | Developing policy and providing guidelines to MOCI staff on communicating with the media and other external stakeholders | Clear guidelines on interactions with media |
| To build and maintain relations with Government legislators and Ministries to influence legislation and regulation | Conducting a stakeholder mapping exercise to identify key opinion makers | A list of key Government stakeholders and opinion makers developed |
| | Identifying the best method for influencing key opinion makers | |
| | Establishing regular mechanisms for briefing opinion makers and building a relationship with them | |
| To ensure that MOCI is aware of external changes that could impact on its core activities | Setting up processes for conducting regular environmental scans and alerting senior staff in MOCI to emerging issues | News and External Events review system introduced |
| To take over responsibility for speech writing | Liaising with ASI on how and when to begin speech writing | PR and Information Directorate drafting speeches for the Minister |
| | Developing a Training Programme to build speech writing skills | |

4.5. Gender Unit

The purpose of the Gender Unit is to ensure equal opportunities for the economic and social advancement for women both within MOCI and within the Afghan economy as a whole. As such, this Unit contributes to MOCI's strategic objective for 2015 - 'to ensure the private sector operates fairly and equitably', as well as providing important input into MOCI's strategic objective to 'ensure pro-poor growth', given women are amongst the poorest members of society in Afghanistan. Furthermore, the Unit supports ANDS' strategy for Gender Equality which envisions 'a peaceful and progressive Afghanistan where women and men enjoy security, equal rights and opportunities in all spheres of life'²⁷.

²⁷ Gender Equity Strategy 1387 - 1391, ANDS, Ministry of Finance

To this end, the Gender Unit has responsibility for reviewing the current position of women within MOCI and identifying initiatives to improve their status. Within the economy more broadly, the Gender Unit will have a role to play in ensuring equal opportunities for women in key sectors and in encouraging greater female representation in business associations and advocacy groups.

Given the Unit has been only recently introduced under Pay and Grading, the focus of the Unit over the next twelve months will be on the foundation work for these initiatives.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|---|--|---|
| To ensure that women are not discriminated against in MOCI | Conducting a gender audit of MOCI | Gender audit and anti-discrimination policy finalised |
| | Developing an anti-discrimination policy for MOCI | |
| | Reviewing facilities available to women in MoCI and developing budget to improve them (if warranted) | |
| To ensure equal economic opportunities for women | Developing a pro-women growth strategy, identifying and addressing barriers to greater participation and areas where the economic advancement of women can be promoted | Pro-women growth strategy developed |
| To work towards ensuring equal representation of women in senior positions in both the private and public sectors | Identifying relevant areas and plausible candidates | Clear opportunities for the advancement of women in business identified |
| | Lobbying for appointment of qualified candidates | |
| To ensure that women have a voice in areas where they already have a significant role in the economy | Identifying areas and forums where women should have a voice/be represented | Targets set for female representatives in industry groups |
| | Lobbying for the appointment of women to relevant bodies (e.g. Chamber of Commerce) | |

5. Direct Reporting to the Minister

5.1. Office of the Chief of Staff

The Office of the Chief of Staff has a key role to play in ensuring Ministerial business is well organised and conducted efficiently. In this capacity, the Office handles Ministry correspondence; oversees logistical arrangements in support of the Minister's schedule; provides secretarial support to the Minister and Deputy Ministers, and organises a secure document management and archiving system for the Minister's cabinet and parliamentary papers and documents.

The Office has a broader role to play in building and maintaining constructive relationships both internally and externally. The Office of the Chief of Staff facilitates the effective operation of the MOCI executive team; handles the relationship with Parliament and Cabinet Affairs; supports links to the provincial offices; manages the relationship with donors and oversees donor projects currently underway in the Ministry.

Finally, the Office has a role in reviewing security arrangements with the Ministry of Interior and the Afghan National Police to ensure effectiveness of security arrangements.

The breadth of its role in ensuring efficient and effective functioning of the Ministry, identifies the Office of the Chief of Staff as critical to the achievement of MOCI's seventh Strategic Objective for 2015 – 'to ensure that MOCI has the capacity to deliver on its role'. Further, whilst the establishment of the Public Relations and Information Directorate will allow for speech writing and other strategic media communications to be transferred out of the Office, the co-ordination role with Cabinet and Parliament means that the Office also has a contribution to make to the sixth Strategic objective - 'to promote the market economy and increase understanding of how it operates'.

Going forward, the Office of the Chief of Staff will focus on maintaining relations with Cabinet, Parliament, the private sector and donors, including responding to queries and handling correspondence in an appropriate time scale. In addition, the Office will improve diary management and secretarial support to the Minister.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|---|---|
| To maintain efficient flow of correspondence across the Ministry | Reviewing and allocating all documentation and correspondence directed to the Minister within 48 hours of receipt | Ministry correspondence managed efficiently Review of correspondence process completed |
| | Undertaking a thorough review of the correspondence handling processes and protocols | |
| To build and maintain close relationships with key donors to | Establishing an agreed schedule of meetings with key donors and Embassies (4 to 6 week regular meetings) | Improved relationships with donors |
| | Organising meetings between the Minister and donors twice a | |

| Objectives | Key Activities | Outcomes |
|--|---|--|
| the benefit of the Ministry | year | Targeted financial and technical support secured from donors |
| | Securing funding from donors for priority areas such as IT, training and support to the Petrol Regulation Department | |
| | Supporting Directorates with emerging donor issues e.g. future funding for EPAA | |
| | Providing regular (bi monthly) briefings to the Minister on donor activity | |
| To oversee the effective delivery of key donor projects in the Ministry | Maintaining bi monthly meetings with donor-funded TA, including TAFA, EGGI, GIZ and SEED | Existing donor programmes managed effectively |
| | Overseeing the procurement of a firm to manage the World Bank's Fund for New Market Development | |
| | Overseeing the recruitment of 6 additional CTAP positions | |
| To maintain close and constructive relationships with key Government Ministries, agencies and committees | Developing a schedule of key Government activities that the MOCI needs to respond to (e.g. MoF budget cycle, IARCSC) and sharing with relevant line directors | Processes developed for prompt responses to Government partners Appropriate support for cross-Government committees |
| | Ensuring OAA's and line Ministries' queries and requests are accommodated by the Ministry within the requested time line | |
| | Scheduling meetings, preparing agenda, providing advice to the Minister on agenda items and taking minutes in the Minister's cross-Government committees | |
| To manage Cabinet and Parliamentary matters | Ensuring Parliamentarians' queries and requests are accommodated by the Ministry within requested timelines | Templates and guidelines for Cabinet submissions developed |
| | Developing a Cabinet submission template and guidelines | |
| To build and maintain a constructive relationship between the Minister and the private sector | Establishing a regular schedule of meetings for the Minister (bi monthly) with key private sector stakeholder representative organisations such as PSCSEC, ACCI and the heads of the top 10 companies in Afghanistan. | Minister meets with private sector representatives on regular basis |
| To facilitate the effective operation of the MOCI executive team | Establishing clear guides and protocols for line directorates in briefing and advising the Minister, including the provision of templates and formats to be used on all formal documents. | Templates for minutes and briefings developed |
| | Conducting fortnightly meetings with the executive team to discuss both strategic and administrative matters and Ministry-wide matters such as the Budget, Pay and Grading and Administrative reforms | Regular meetings with Directors initiated |
| To provide administrative and secretarial support to the Minister | Ensuring briefings are sought and provided 24 hours in advance of meetings | Prompt supply of information and briefing papers for Minister |
| | Ensuring all requests for information and queries by the Minister are responded to by the requested time (generally not longer than 48 hours) | |
| To improve diary management of the Minister | Scheduling recurring events and meetings for 1390 and 1391 in the Minister's diary (Cabinet, Economic Sub-Committee, etc) | Minister's diary reflects recurring events |
| To improve the performance of MOCI | Establishing provincial affairs team to facilitate improved communication with provincial offices | Provincial affairs team |

| Objectives | Key Activities | Outcomes |
|---|---|---|
| in provincial areas | Establishing systems for sending and receiving information and requests to and from the provinces | operationalised |
| | Working with provincial offices to agree minimum service levels and monitoring and evaluation of performance in delivering these activities | |
| To build the capacity of the Office of the Chief of Staff | Recruiting an Administration Chief, Provincial Affairs Chief and Inter-Governmental and Cultural Manager to the COS office | Improved capacity of Office of the Chief of Staff to discharge its role |
| | Agreeing with the Indian Embassy on a training schedule for core managers in the Office of the Chief of Staff | |
| | Undertaking training in secretarial services, and records management to staff in the Minister's Office | |

5.2. Internal Audit

The key function of the Internal Audit Directorate is the detection, prevention and correction of financial irregularities within the financial system of the Ministry. As such, the Directorate is responsible for ensuring the completeness, accountability, transparency and accuracy of financial records and producing audit reports for MOCI management. This work is crucial to the effective management of MOCI, as well as to its reputation and credibility, and to the achievement of MOCI's strategic objective to ensure that MOCI has the capacity to deliver on its role.

It is important to note that the Internal Audit Directorate is obliged to undertake its operations in accordance with the Control and Audit Authority law, internal audit regulations, standard guidelines and relevant action plans.

In the coming twelve months, the Internal Audit Directorate will benefit from technical assistance in the form of a consultant auditor provided through the World Bank's New Market Development Project. The consultant auditor will be able to suggest improvements to processes and to deliver capacity development to the staff.

In terms of focus over the next year, the Directorate will undertake its core duties as auditor, together with a set of capacity building initiatives to improve performance over time.

Objectives, Activities and Expected Outcomes

| Objectives | Key Activities | Outcomes |
|--|---|---|
| Ensure MOCI's accounting and financial reports are accurate and in compliance with the laws and regulations of Afghanistan | Reviewing financial reports of all line Directorates in MOCI | MOCI's financial reports are in compliance with the law |
| | Reviewing financial reports of related central bodies such as the unions, enterprises and firms, AISA, Raisin and Dry Fruit Export Promotion Agency and so on | |
| | Reviewing financial reports of MoCI relevant agencies in the provinces (SOEs, SOCs, projects, etc outside of Kabul) | |

| Objectives | Key Activities | Outcomes |
|---|---|---|
| Improve capacity of staff of internal audit directorate | Undertaking a Training Needs Assessment for the Directorate, in collaboration with the HR directorate and the Control and Audit Authority | Improved capacity of Internal Audit Staff |
| | Preparing and developing training programmes for all staff in coordination with HR directorate and the Control and Audit Authority | |
| | Supporting the recruitment process for an Internal Audit expert through the World Bank's New Market Development Project | |

5.3. Legal Affairs

The Legal Affairs Directorate is responsible for providing the Ministry with independent advice on a wide range of legal issues that relate to its responsibilities. As such, the Directorate contributes towards a range of MOCI's strategic objectives for 2015, including, improving the enabling and regulatory environment for business and Afghanistan's DBI ranking; ensuring the private sector operates fairly and equitably and ensuring pro-poor growth, by ensuring that the legal framework supports these longer term ambitions.

Its activities include assisting MOCI to draft effective legislation appropriate to Afghanistan; preparing policy briefings and summaries of all relevant legislation and developing templates for internally generated legislative proposals and ensuring their use throughout the Ministry. The Directorate also has a responsibility for ensuring the translation of laws into English/Dari/Pashto.

Finally, the Legal Affairs Directorate is responsible for providing legal services to the Ministry including reviews of contracts, international agreements and conventions. For example, as the Industries' Technical Affairs Directorate and SOECCD attract and develop additional opportunities for leasing out Government owned assets, the Legal Affairs Directorate will be required to review the terms and conditions of proposed contracts and provide guidance and advice accordingly.

Over the course of the next year, the Directorate will focus on supporting the development of the most strategically important legislation for the Ministry, most notably the Bankruptcy Law, and providing legal advice to other line Directorates, as required.

Objectives, Activities and Expected Outcomes

| Objective | Key Activities | Outcomes |
|--|--|---|
| To complete the re-drafting of key commercial laws | Respond to queries raised and clarifications requested by the Ministry of Justice on the amendments to the Mediation Law | Mediation Law, Private Investment Law and Law on the Control of Goods and Services across Borders under review by |
| | Respond to queries raised and clarifications requested by the Ministry of Justice on the amendments to Private Investment Law | |
| | Respond to queries raised and clarifications requested by the Ministry of Justice on the amendments to the Law on the Control of Goods and Services across Borders | |

| Objective | Key Activities | Outcomes |
|--|--|---|
| | Tracking progress of these 3 laws in the Taqin and in Parliament | Parliament |
| To support the redrafting of the Regulation for Exhibitions | To provide support and inputs to the Exhibitions Department ²⁸ , in accordance with MOJ recommendations | Exhibitions Regulation re-drafted |
| To support CPCPD in developing the legal framework for Competition and Consumer Protection | Engaging in the consultation process of the Competition Law and Consumer Protection Law | Support provided to the legal activities of the CPCPD |
| | Providing inputs on drafting the regulations for Competition and Consumer Protection | |
| To draft the Bankruptcy Law | Drafting the Bankruptcy Law in collaboration with USAID advisers and in consultation with key stakeholders | Bankruptcy Law submitted to MOJ |
| | Submitting the law to MOJ and supporting throughout the process of scrutiny and review | |
| | Developing regulations to resolve problems and ambiguities in the law | |
| To improve line Directorates' understanding of the laws affecting businesses | Providing advice to the directorates on legal issues including reviewing the implementation of laws related to their mandate and addressing the aspects of legal obstacles to business | Improved knowledge of legal issues affecting businesses across the Ministry |
| | Studying and analysing legal issues that create challenges and obstacles to business | |
| To support line Directorates in drafting contracts | Reviewing and guiding the drafting of contracts with ITAD and SOECCD, as requested | MOCi drafts legally sound contracts |
| To develop the skills of employees working in Legal Affairs Directorate | Training staff on drafting skills for laws and regulations | Improved capacity of Legal Affairs Directorate staff |
| | Training staff on Principles of Law, Dual Policy Rights | |
| | Exploring options for donor support to the Legal Affairs Directorate to attract much needed support of qualified lawyers ²⁹ | |
| | Delivering training in English and computer skills | |

5.4. Strategy, Policy and Planning

The Strategy, Policy and Planning Directorate (SPPD) is responsible for policy analysis, generation and assessment both within MOCI, and on policy proposals developed by other ministries which will have a significant impact on the private sector. In addition, this Directorate will complement the role of the Chief of Staff's office in managing donor assistance, as SPPD is responsible for monitoring donor assistance programmes to ensure that they align with the Ministry's strategic direction. In such a way, SPPD contributes towards all six of MOCI's strategic objectives for developing the Afghan Economy by ensuring that the Ministry's policy direction is orientated towards the realisation of those goals.

²⁸ An SOC under MOCI that arranges trade fairs and exhibitions both within and beyond Afghanistan.

²⁹ The legal support provided by USAID's EGGI programme has now come to an end

Policy development will be undertaken with the involvement and guidance of Deputy Ministers and Directors, and will involve seconded Directorate staff as part of policy development teams from the SPPD. It is intended that seconded staff, on their return to their line Directorate, will act as the champions for the implementation of the developed policy. The value of SPPD is that it will create a critical mass of policy development expertise in the Ministry enabling it to serve as a resource for the policy Directorates when they are looking to develop policy. In the long term it is envisaged that SPPD will take over the work of international technical assistance in this area, as a more sustainable policy support mechanism.

Given this Directorate was newly created as part of the Pay and Grading reform programme, the main activities over the next year relate to the hiring of relevant staff and development of processes and methodologies for policy design, analysis and implementation.

| Objectives | Key Activities | Outcomes |
|--|--|--|
| To develop policy to enable the private sector to flourish | Conducting a policy audit of MOCI | Better understanding of the PSD policy landscape in MOCI and beyond |
| | Identifying strategic interventions to ensure private sector growth | |
| | Prioritising the development of new policy | |
| | Working with line departments to develop effective policy in key areas | |
| | Developing oversight methodologies so that the Minister is able to exercise effective policy control over the Independent Agencies linked to MOCI | |
| To improve policy capacity in MOCI | Delivering a programme of training and capacity development: <ul style="list-style-type: none"> • Conducting TNA (Training Needs Assessment) relating to policy development • Developing Capacity Development Plan • Initiating Capacity Development Plan | Capacity Development Plan implemented |
| To ensure timely development of high quality planning documents for the Ministry | Finalising the new business plan for 1391-1392 (2012-13) | Business Plan for 2012-13 developed |
| | Planning for the re-scheduling of the business planning process to coincide with MOCI's budget cycle | |
| To coordinate donor assistance and ensure that it aligns with the Ministry's strategic direction and business plan | Working with Chief of Staff to establish an effective MIS (Management Information System) for donor activities | Better understanding of scope and purpose of donor assistance programmes in the Ministry |

5.5. Petroleum Regulation Department

The Petroleum Regulation Department exists to improve the management, regulation and operations of the Petroleum Industry in Afghanistan and by so doing secure the supply of petroleum products; reduce the volatility of prices, and ensure that retail prices are reasonable. The

Department is therefore critical for achieving MOCI’s third Strategic Objective for 2015 – ‘to ensure the private sector operates fairly and equitably’.

The Department was set up as part of the Pay and Grading reform programme, in response to Parliament’s increasing focus on the volatility of petrol prices. Over the last 12 months, the Ministry has benefitted from technical assistance in this policy area in the form of a fuel expert provided by GIZ and a number of DFID advisers. This has allowed for the development of a plan to corporatise the Fuel and Liquid Gas Enterprise (FLGE) and separate it from MOCI – a plan approved by the Council of Ministers in December 2010. Further, this assistance has facilitated the establishment of the Petroleum Regulation Department (PRD) within MOCI; advanced the fuel price monitoring procedure, and prepared new licensing and regulatory measures to recommend to Cabinet.

Going forward, the Department’s primary activities will focus on obtaining more accurate information on fuel prices at all stages in the supply chain, as well as drafting appropriate regulations to ensure sufficient stock. Sustained technical assistance over the next twelve months will, however, be critical for achieving the objectives outlined below.

| Objectives | Key Activities | Outcomes |
|--|--|--|
| To monitor imports of petroleum products, demand for petroleum and retail prices | Gathering data from at least 5 petroleum companies on their purchase contracts including: <ul style="list-style-type: none"> ○ purchase price ○ type and volume of purchased petroleum products ○ costs to deliver petroleum ○ delivery schedule | National Petroleum Information database established containing accurate data on petrol companies Formats for communication and press releases established |
| | Expanding the private petroleum companies providing the above information to 10 | |
| | Gathering FOB prices from key source refineries through commercial attaches in exporting countries | |
| | Developing a robust National Petroleum Information database including price evaluation | |
| | Upgrading the National Petroleum Information Database to an internet based and accessible database | |
| | Developing a standard format and system for communication and press release | |
| To reduce petroleum price volatility and assure supply security | Developing a regulation or licensing system which requires petroleum companies to hold 20 days of their minimum stock at all times | Regulations and licensing system relating to stock holding drafted |
| | Developing a regulation or licensing system which gives MOCI the authority to require petroleum companies to run down stocks when there are local interruptions to supply | |
| | Communicating the actions of the Petroleum Regulatory Directorate with petroleum companies, that in times of scarcity MOCI will require them to run down their stockholdings at a level to stabilise the market ³⁰ | |

³⁰In times of price spikes the MOCI will direct the petroleum companies to reduce their stockholdings to a level necessary to stabilise the markets

| Objectives | Key Activities | Outcomes |
|---|--|---|
| To enable MOCI to mitigate the effects of price spikes caused by supply interruptions | Drafting a regulation to allow MOCI to temporarily interfere in the market in times of supply crises and to set maximum retail prices for certain petroleum products in certain regions of the country | Regulations drafted relating to MOCI's capacity to interfere in retail prices |
| | Developing conditions and requirements on petroleum licensing in close cooperation with the Business Licensing Directorate | |
| | Developing a system, which will enable MOCI to anticipate the future balance of supply and demand | |

5.6. Advisory Services

In addition to the fixed tashkeel positions of the Directorates outlined above, the Minister requires high level advisory support and capacity building in a number of areas on an ad hoc basis. Key functions performed by Advisors include providing high level advice, knowledge and information to the Minister and developing the capacity of MOCI staff in their area of expertise. The overall purpose of their work is to ensure that decisions made by the Minister and management of the MOCI are based on expert knowledge and accurate information.

Given the innately responsive nature of this work, there is no set table of objectives and activities for the next twelve months.

6. Stakeholder Mapping

6.1 Overview

This section provides an overview of the key actors and administrative bodies that have a role to play in supporting MOCI's strategic objectives, spanning Government Ministries and Agencies, the Minister's role in higher level Government institutions, donors, the media and the private sector itself.

This Plan has identified the mechanisms through which these myriad partners are to be engaged, through the core channels of the Office of the Chief of Staff, the Public Relations and Information Directorate and relevant policy specific or sector specific committees set up by line Directorates. However, it is important for all working units of the Ministry to be mindful of these partners, and the opportunities they present to further the work outlined in this Plan. To that end, chapters 6.2 - 6.5 provide an overview of each of the key partners in the field of private sector development.

6.2 Government

Partner Ministries

In most other countries, macroeconomic policy (principally the remit of the Ministry of Finance), which affects tax rates and credit conditions, is always a powerful influence on actual outcomes. Afghanistan is no exception here with the Ministry of Finance and its Customs and Revenue Department exerting a significant influence on the business environment, especially on traders. Further, where a country is rich in mineral resources, as is the case in Afghanistan, the role of the government in the growth of the mining sector is a critical determinant of how mining impacts economic and social outcomes (here the Ministry of Mines has the lead government role). Further, the importance of agriculture in the economy translates into key roles for the Ministry of Agriculture Irrigation and Livestock (MAIL) and the Ministry of Rural Rehabilitation and Development (MRRD).

Beyond sector related Ministries, there are important partners for facilitating business growth, trade and skills development, such as the Ministry for Transport and Civil Aviation for cargo issues, the Ministry of Public Works for internal transport issues; the Ministry for Power and Water for energy issues; the Ministry of Labour for the development of trade skills, and the Ministry of Communications and Information Technology for promoting e-business, to name just a few of the areas in which these partners work.

Partner Agencies

There are two agencies whose activities are closely aligned with those of MOCI. They are:

- **Afghanistan Investment Promotion Agency (AISA)** which undertakes the processing of investment licences and facilitating the necessary permits on behalf of investors; developing and managing industrial parks (see chapter 2.3); organising conferences and exhibitions to

promote Afghan firms; analysing private sector development issues; and offering individual client services for investors.

- **Afghanistan National Standards Authority (ANSA)** which is responsible for implementation of international standards as well as regional and national standards and their application in business and industry. ANSA also has a responsibility to promote the benefits of standardisation and conformity assessment, accreditation and metrology amongst government, the private sector and the general public.

The Industrial Parks Development Authority (IPDA) would be considered another key agency partner, However, it is not yet operational and the nature of the body is under review (see chapter 2.3), and therefore will not be considered an active partner in the coming twelve months.

Minister's Role

The MOCI exerts an influence outside of its internal activities, through the following channels:

- Minister's representation at Cabinet
- Minister's representation at Economic Sub-Committee
- Minister's role as head of the Private Sector Development Cluster
- Minister's role as Chair of the High Commission on Investment which includes examination of all significant investment proposals and oversight of the functions and activities of AISA.³¹

6.3 Donors

MOCI has benefitted from the support of a range of donors and donor projects in recent years, including a number that have provided direct technical support to the work of the Ministry, such as:

- USAID's Trade Accession and Facilitation Afghanistan (TAFA) and Economic Growth and Governance Initiative (EGGI)
- DFID's Sustainable Enterprise and Employment Development (SEED)
- GIZ's support to EPAA and trade policy
- Harakat's Licensing Reform Project, and the recently initiated Trade Policy Project, Strengthening Fair Competition Project, and Strengthening Consumer Protection Project
- The World Bank's Management Capacity Programme (through the IARCSC) and the New Market Development Project to be launched this year.
- The jointly financed Civilian Technical Assistance Programme (CTAP) based in MOF (USAID / DFID)
- ISAF's provision of ad hoc technical assistance

Donors are additionally important to MOCI through the projects managed independently from the Ministry. Examples of such projects might include DFID's Afghanistan Business Innovation Fund (ABIF) launched this year, and USAID's Accelerating Sustainable Agriculture Programme (ASAP) which will act as an important partner for the Ministry in implementing its agri-business action plan.

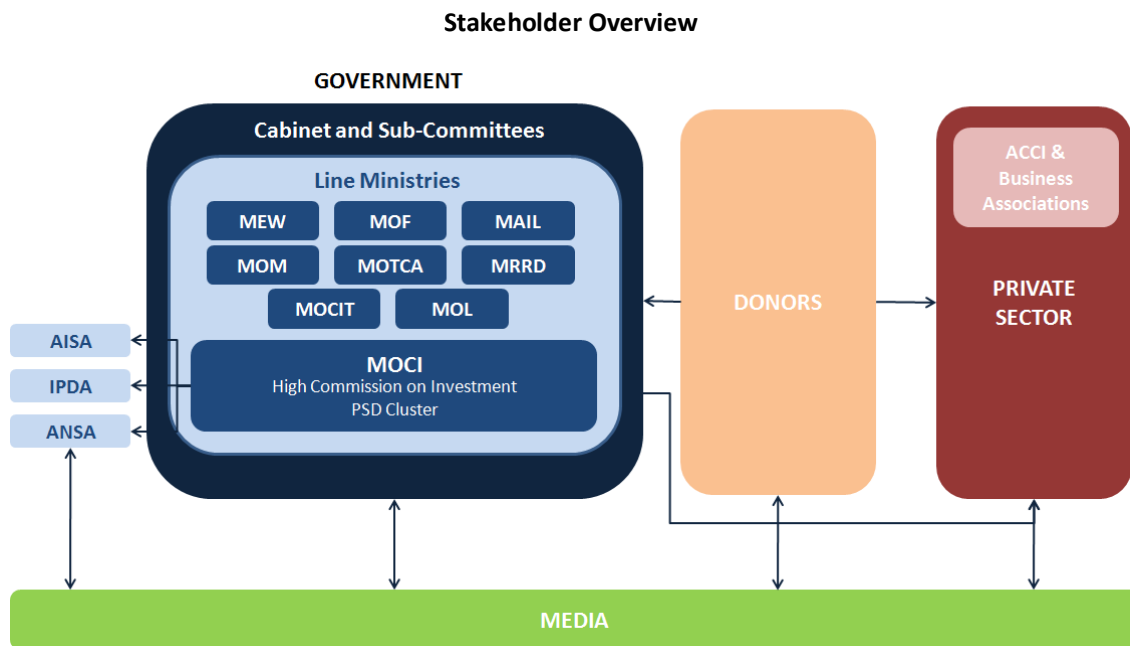
³¹ Minister of Commerce and Industry (chairman), Minister of Finance, Minister of Foreign Affairs, Minister of Economy, Minister of Mines, Minister of Agriculture Irrigation and Livestock, Governor of Da Afghanistan Bank (central Bank), Chief Executive Officer of the AISA as a non-voting member

6.4 Media

The media sector is strong in Afghanistan and continues to act as a useful partner in raising awareness of MOCI reforms and achievements, and improving understanding of economic issues that affect businesses such as the price of fuel.

6.5 Private Sector

The final partner in development is the client - the private sector itself. Businesses are represented through the Afghanistan Chamber of Commerce and Industry (ACCI), which boasts over 37,000 members³², as well as through individual business associations, such as the Afghan Builders Association or the Afghan Carpet Exporters Guild. Moreover, individual businesses speak for themselves – both large scale businesses with the capacity to lobby Government directly, as well as SMEs and informal businesses that MOCI will make active efforts to engage and support over the course of the next year.



³² ACCI figures as of August 2011

Section 7: Monitoring and Evaluation

The Monitoring and Evaluation framework to guide and monitor the implementation of the Business Plan over the course of the next twelve months, is included in a separate document: 'Monitoring and Evaluation Framework for MOCI's Business Plan 2011'.

This framework provides indicators, sources, baselines and targets for each of the outcomes identified for the Directorates or work groups outlined in this Plan. The framework additionally clarifies the link between the work of each Directorate and MOCI's higher level Strategic Objectives for 2015.