This action is funded by the European Union

**Annex 1**

of the Commission Implementing Decision on the financing of the Annual Action Programme in favour of Afghanistan for 2019 part 2

**Action Document for Trade Related Assistance in Afghanistan: "Advancing Afghan Trade" Phase 2**

**Annual Programme**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

| 1. Title/basic act/CRIS number | Trade Related Assistance in Afghanistan: "Advancing Afghan Trade" Phase 2  
CRIS number: ACA/2019/041-708 financed under the Development Cooperation Instrument |
|---|---|
| 2. Zone benefiting from the action/location | Afghanistan  
The action shall be carried out nationwide |
| 3. Programming document | Addendum to the Multiannual Indicative Programme (MIP) between the European Union and Afghanistan for the period 2014-2020¹ |
| 4. SDGs | Main SDG:  
8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.  
Other significant SDG(s):  
5 - Achieve gender equality and empower all women and girls;  
10 - Reduce inequality within and among countries;  
12 - Responsible production and consumption patterns;  
17 - Revitalize the global partnership for sustainable development. |
| 5. Sector of intervention/thematic area | MIP Sector: Sustainable Growth and Jobs  
DEV. Assistance: YES |
| 6. Amounts concerned | Total estimated cost: EUR 12 000 000  
The contribution is for an amount of EUR 12 000 000 from the general budget of the European Union for 2019. |

7. Aid modality(ies) and implementation modality(ies)

<table>
<thead>
<tr>
<th>Project Modality</th>
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</thead>
<tbody>
<tr>
<td>Indirect management with International Trade Centre (ITC)</td>
</tr>
</tbody>
</table>

8 a) DAC code(s)

| 33110 - Trade policy and administrative management |
| 33120 - Trade Facilitation |
| 25030 - Business Development Services |

8 b) Main Delivery Channel

| International Trade Centre (ITC) |

9. Markers (from CRIS DAC form)

<table>
<thead>
<tr>
<th>General policy objective</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
</tr>
</thead>
<tbody>
<tr>
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<td>X</td>
<td>☐</td>
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<tr>
<td>Aid to environment</td>
<td>☐</td>
<td>X</td>
<td>☐</td>
</tr>
<tr>
<td>Gender equality and Women’s and Girl’s Empowerment</td>
<td>☐</td>
<td>X</td>
<td>☐</td>
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<tr>
<td>Trade Development</td>
<td>☐</td>
<td>☐</td>
<td>X</td>
</tr>
<tr>
<td>Reproductive, Maternal, New born and child health</td>
<td>X</td>
<td>☐</td>
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</table>

<table>
<thead>
<tr>
<th>RIO Convention markers</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
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</thead>
<tbody>
<tr>
<td>Biological diversity</td>
<td>X</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Combat desertification</td>
<td>X</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>X</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>X</td>
<td>☐</td>
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**SUMMARY**

International trade is an important driver of growth and a means to facilitate Afghanistan's path away from aid dependency. As such, the Government of Afghanistan has prioritized trade, regional cooperation and private sector development as critical elements for its economic development strategy.

This action, therefore, aims to unlock Afghanistan's trade potential by improving quality and standards setting, trade policy formulation, value chains support and women’s participation in international business and trade.

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2 When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

3 Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.
The project’s **general objective** is to foster a more inclusive and exports-led economic growth.

The **specific objectives** (SOs) of the project are:

- **SO1**: Strengthened business/investment environment to support regional economic integration and connectivity;
- **SO2**: Improved competitiveness and economic, social and environmental responsibility in agri-business and manufactured products value chains;
- **SO3**: Increased engagement of Afghan women in international/region trade.

By delivering on the above specific objectives, the action will increase participation of Afghan MSMEs in international/region trade in selected agri-business and manufacturing sector value chains of 1) saffron, dried fruits and nuts, fresh fruits and vegetables, and 2) manufactured products as identified in the National Export Strategy (NES), endorsed by the Government and officially launched in June 2018, the flagship document of the phase I of the project (2016-2019).

The proposed action is in line with the Government's strategy for growth and development through regional cooperation, trade and connectivity. It is also aligned with the EU Regional Asia Multiannual Indicative Programme 2014-2020 while ensuring coherence with the EU-Afghanistan Multiannual Indicative Programme 2014-2020, especially its sector 2: "Sustainable Growth and Jobs". Finally, it will build on the good work and results achieved within the project's Phase I.

Last but not least, the action is aligned and contributes to the 'Action Plan for Peace in Afghanistan', as presented by HR/VP Mogherini at the Geneva Conference on Afghanistan in November 2018, and particularly to point 5 "Strengthen conditions for sustainable peace through regional economic integration and improved connectivity", which also related to the September 2018 EU Strategy on Connecting Europe and Asia.
1 Context Analysis

1.1 Context Description

Afghanistan's economy and trade capacity is heavily influenced by the country's poor security situation and political instability, still present 17 years after the fall of the Taliban regime. The high poverty rate (54.5%), continuing elevated levels of violence, endemic corruption, growing demographic of the country and limited access to finance are having destabilizing effects on the country's social, political and economic situation. Furthermore, the recent drought has negatively impacted wheat harvest and created increased food insecurity in many areas of the country. The displacement crisis also continues, with more than 1.7 million Afghans internally displaced, and more than 2 million returning to Afghanistan – mostly from Pakistan and Iran, since 2015. Finally, the current growth rate of 2.7% is not enough to significantly improve incomes and livelihoods for most Afghans and to absorb the between 480,000 – 600,000 job seekers entering the job market every year. Last but not least, the poverty rate has increased to 55% in 2016–17 from 38% in 2011-12.

On a positive note, the WB "Afghanistan Development Update” of August 2018 stated that there was an improved investor sentiment in 2017. This has been confirmed by the WB ”Doing Business 2019" report that called Afghanistan top business climate improver for 2018 and scoring 16 places up to 167% position (out of 190) on the so called ease of Doing Business Indicators (DBIs). However, private sector contributes to economy at the level of 20% only and it is still a marginal player in economic growth. Exports grew by around 28% during 2017, driven by new air corridors to India and positive resolutions of border issues with Pakistan. Despite this rapid growth, however, export remains low in absolute terms at around 6% of GDP and the large trade deficit is stable at around 40% of GDP, reflecting an offsetting of import growth driven by higher energy prices and by increased food imports in the context of drought.

As regards Afghan women-specific economic situation, their current level of formal economic contribution to Afghan development is low. While women constitute 47% of the estimated 34.65 million population of Afghanistan in 2016 the female labour force participation rate stands at only 26.8% (down from 29% in 2013-14). Among working age women, only 29% are economically active and most are employed in the agricultural sector (70%) while 24% are in manufacturing. The share of women in wage employment in non-agricultural sector is only 10%. Only 19.9% of the female population is literate (versus 49.4% for men), although this figure nearly doubles to 38.7% if only the female population under 25 is counted, a significant testimony to the advances that have been obtained over the past decade. Women earn significantly less than men. For the same type of job, women earn 30% less than men on average.

In such conditions, one of the main developmental challenges and focus areas for both the Government and the donor community is decent job creation, which should be achieved through increased growth rate stemming from boosted exports capacity while paying particular attention to empowering women to enter the job market. Trade-Related Technical Assistance (TRTA) can play a critical role to achieve this objective, through focus on sectors with potential, whose production will be boosted.

1.2 Policy Framework (Global, EU)

The global policy framework that guides the project is the United Nations (UN) 2030 Agenda on Sustainable Development Goals, the Paris Agreement on Climate Change and Addis Ababa Action Agenda on Financing for Development (all from 2015).

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The global policy framework on trade is linked to the World Trade Organisation (WTO) membership obligations. Afghanistan became a member of the WTO in July 2016. WTO membership represents a major opportunity for Afghanistan to strengthen economic ties and greatly expand opportunities for trade with countries in the region and globally.

The EU’s policy framework – notably the 2011 "Agenda for Change"7 clearly acknowledges the nexus between enhanced growth and jobs, SMEs and increased trade capacities, better business environment and development. In "The New European Consensus for Development"8 (2017), the EU and its Member States call for cooperation towards development based on five "Ps": People, Planet, Prosperity, Peace and Partnership. The “Trade for All”9 policy makes EU trade and investment policy more responsible with a view to ensure that it benefits as many people as possible. It contains a chapter on promoting sustainable development, human rights and good governance including a dedicated section on responsible management of supply chains.

The EU bilateral cooperation, through the revised EU Multiannual Indicative Programme (MIP) 2014-2020 for Afghanistan, focuses on growth and jobs as one of its focal sectors, along with basic social services delivery and peace, stability and democracy. The action embeds itself as an integrative element of the focal sector sustainable growth and jobs. The action is also in line with Regional Asia MIP 2014-2020, with its key priorities in Asia such as fostering business and trade links, market access, and regional integration among others, as well as with the September 2018 EU Strategy on Connecting Europe and Asia.10

In its communication on "A stronger role of the private sector in achieving inclusive and sustainable growth in developing countries"11, the European Commission emphasises the need to increase measures to support private sector development and respond to the diversification challenges faced by developing countries notably by supporting the SMEs and women entrepreneurs.

Afghanistan is benefiting from the EU “Everything But Arms” (EBA) unilateral preferential trade regime, giving it duty free access to the EU market, for all products except arms and armaments. Enhancing the ability of the Afghan private sector to comply with EU requirements, including those related to standards and technical regulations (e.g. Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT)), will allow Afghanistan to make the best use of this EU most preferential market access regime.

The intervention is also in line with the revised EU 2007-adopted and 2017-updated ‘Aid for Trade’ (AfT) Strategy12, which, among others, puts more emphasis on empowering women and improving the situation of the least developed countries in the global trade systems.

The proposed action’s 'She Trades' component will bear a particular, strengthened approach in empowering Afghan women to be able to trade internationally. As such, the action will contribute to the Gender Action Plan (2016-2020) objectives, in particular objective no. 14 “Access to decent work for women of all ages” and 15 “Equal access by women to financial services, productive resources including land, trade and entrepreneurship.”

Finally, this action directly contributes and supports point 5 of HR/VP Mogherini’s Action Plan for Peace in Afghanistan, as presented at the Geneva Conference on Afghanistan in November 2018.

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1.3 Public Policy Analysis of the partner country

At the highest policy level, the proposed action is informed by direction provided by the key government strategic document: the Afghanistan National Peace and Development Framework (ANPDF, 2017-2021), which recognizes the need to transform the country to an agro-industrial exporting nation. In particular, recently a number of trade-related National Priority Programs have been developed to implement the priorities decided upon in the ANPDF, including (i) The New National Priority Program on Private Sector Development (NPP PSD); (ii) The New National Priority Program on Women Economic Empowerment; (iii) the Comprehensive Agriculture Development National Priority Program (CAD NPP).

At regional level, the Government has been active in negotiating and implementing bilateral and regional trade agreements. The proposed action will contribute to implement targeted actions originally shaped by the National Export Strategy (NES) which have been distilled through the respective implementation plans of the above mentioned NPPs and the Agribusiness (ABC) Charter embedded in the CAD NPP. Also, anchoring this action to the NES is a guarantee that the intervention will build on the national priorities. The intervention is also supporting the implementations of the action plan of another policy document produced under the phase 1 of the project – the first Afghan National Trade Policy (ANTP), due to be endorsed by the Government.

1.4 Stakeholder analysis

Key stakeholders are the Ministry of Industry and Commerce (MoIC), and particularly the Export Promotion Agency of Afghanistan (EPAA) and the Investment Promotion and Support Directorate, as well as business support organisations, such as chambers of commerce and private sector business associations and operators in both farming and manufacturing industries.

MoIC is the main implementer of the proposed action with responsibility for the trade policy and the implementation of the National Export Strategy (NES). The component on quality will be implemented through the Afghanistan National Standards Authority (ANSA) and the National Enquiry Points (NEPs) on Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBTs) issues. Currently the technical implementation capacity of all of the above public bodies presents room for improvement. Guaranteeing the increased exports capacity and by consequence the execution of specific activities will equally require close cooperation and coordination with the Ministry of Agriculture and Livestock (MAIL), the Ministry of Public Health (MoPH), the Ministry of Finance (MoF), the Ministry of Foreign Affairs (MoFA) - for international trade policy development and negotiations.

Among the stakeholders of the action beyond the government services – the chambers of commerce and private sector sectoral associations, the most prominent to be mentioned include the Afghanistan Chamber of Commerce and Industry (ACCI), the Afghan Women Chamber of Commerce (AWCCI), the Start ups and Emerging Entrepreneurs Network (SEEN), and sectoral business organisations e.g. Kabul Union of Fresh Fruits and Vegetables, Union of Saffron Producers etc. The proposed action will continue working closely with these partners in the phase II, working towards their enhanced capacities to support businesses for export related purposes.

The ultimate stakeholder is the Afghan consumer and general population, who will be benefitting from improved trade policy, whose effects are expected to contribute to increased income, job creation, better quality of products serving increased exports capacity and international economic, social and environmental competitiveness. The action will also support segments of society that are often neglected by trade related projects, such as women entrepreneurs, through the 'She Trades' component.

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13 Agreements have been signed with India (2003), Iran (2005), Pakistan (2010), Russia (2011), Kazakhstan (2011), Tajikistan (2011), re-launch of TIR Convention (2013), WTO membership (2016), two separate bilateral agreements with Uzbekistan on trade and economic cooperation and agreement on transit (2017).
1.5 Problem analysis / priority areas for support

The National Export Strategy (NES)\textsuperscript{14}, designed under the Phase I of this project, identified six “priority sectors” based upon their export potential and their contribution to employment and socio-economic development (including for rural communities, women and youth). The action will support all three (out of a total of six sectors) NES agricultural sectors of 1) dried fruits and nuts, 2) fresh fruits and vegetables and 3) saffron, as well as one sector of the three NES manufacture sectors of 1) carpets, 2) marble and granite and 3) precious stones and jewellery. The particular agricultural as well as manufactured products will be selected in consultation with Afghan private and public sector.

The action will support the agriculture sector, which is the most important youth employment sector in the country. Additionally, women are heavily involved in this sector mainly at the lower end of the value chains. However, there exists potential for greater involvement in trade-related activities. Enhanced competitiveness and economic, social and environmental responsibility of the sectors would contribute to better incomes for smallholder farmers, including family farms.

A number of manufacturing sectors also offer job creation/value added opportunities. They include (i) jewellery and precious stones, which hold opportunities to generate inclusive employment through their many stages of production.; (ii) carpets as Afghan carpets is a resilient sector, with industrial potential and a compelling brand proposition; (iii) marble and granite as the sector has access to a natural resource that is highly prized (and highly valued) around the world, with significant potential to stimulate large-scale national level development.

However, as identified by the NES, all six priority sectors are constrained by cross-cutting and common business environment challenges, such as quality management, trade facilitation, access to finance, trade policy, and trade support institutional strengthening. Further support in these areas will also assist Afghanistan in fulfilling its obligations stemming from its accession to the WTO (e.g. Quality/SPS) and WTO member status (e.g. compliance with the Trade Facilitation Agreement (TFA)). Finally, under the NES, women are recognized as a population cohort requiring targeted and tailored support.

Building on phase I, the action will address the cross cutting and value chain specific issues by implementing a number of primarily business environment and sector specific related recommendations of the NES related to: modernised quality/SPS, packaging infrastructure and management, further strengthening the export/investment promotion institutions, further fostering regional trade/investment through bilateral stakeholder consultations with neighbouring countries on policy and regulatory issues, as well as follow-up to the implementation of the transparency provisions of the WTO TFA agreement for cross border procedures as a tool for regional connectivity.

Value chain specific issues will require new activities introduced by phase II such as:

- Improving competitiveness in agri-business and manufactured products value chains;
- Building support services across specific product/sector value chains to support individual enterprises to reach regional and global markets and to respect the UN Global Compact. Increasing women entrepreneurs participation in trade

\textsuperscript{14} The NES is the result of a yearlong process which encompassed among others quantitative and qualitative analysis, inclusive consultations, fact checking with international buyers, and audits of SMEs internal processes. Based on its diagnostic of constraints, it has resulted in a list of priority actions, endorsed by the highest policy making institution, and reflects as such a national consensus on what is to be done in order to improve the export competitiveness. Recommendations of the NES further have trickled down to the implementation plan of the relevant NPP for private sector development and the agro-business development, hence their mutual alignment.
2 RISKS AND ASSUMPTIONS

<table>
<thead>
<tr>
<th>Risks</th>
<th>Level</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Political stability and security</strong></td>
<td>H</td>
<td>Mitigated through a concerted international political and policy dialogue, as well as support for the elections. EU diplomatic engagement in peace and regional cooperation efforts. EU support to elections and election monitoring.</td>
</tr>
<tr>
<td>Stability and effectiveness of government may be hampered by internal division/external challenges and disrupted by the elections foreseen in 2018 and 2019, and the subsequent formation of a new Government.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reluctance (lack of buy in)</strong></td>
<td>M</td>
<td>Confidence building measures successfully advocate that the region has a great deal to gain from trade integration contributing to a peaceful and prosperous Afghanistan. Continue the support to the ‘Heart of Asia’ – Istanbul Process and regional integration initiatives such as the RECCA (Regional Economic Cooperation Conference on Afghanistan) that also provide for the fora, deepening trust and economic integration.</td>
</tr>
<tr>
<td>Lack of willingness from regional governments to embrace regional economic integration through trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cultural limitations affecting women</strong></td>
<td>H</td>
<td>Monitor the situation through clear outcome indicators for the number of women empowered to trade in each of the developed value chains development (trading). confidence building measures successfully advocate that the region has a great deal to gain from trade integration contributing to a peaceful and prosperous Afghanistan. Continue the support to the ‘Heart of Asia’ – Istanbul Process and regional integration initiatives such as the RECCA (Regional Economic Cooperation Conference on Afghanistan) that also provide for the fora, deepening trust and economic integration.</td>
</tr>
<tr>
<td>Cultural constraints limiting women empowerment, especially in the access to upper parts of the value chains development (trading).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Weak institutional absorption capacity</strong></td>
<td>M</td>
<td>Particular attention on institutional strengthening (Output 1.2 of Phase II): including assessment of key institutions and carrying out of specific plans and roadmaps for enhanced capacity of key trade support institutions and organisations.</td>
</tr>
<tr>
<td>Weak absorption capacity persists in line ministries, key beneficiary and stakeholder institutions</td>
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<td></td>
</tr>
<tr>
<td><strong>Limited dialogue among the public and private sector</strong></td>
<td>M</td>
<td>The project will work along an open, structured and supported public-private dialogue, in constant consultation (and awareness raising), in order to ensure that the interests of all are considered (including women, youth, rural farmers, etc.) and to avoid any unintended negative consequences on human rights (in line with the do-not-harm principle).</td>
</tr>
<tr>
<td>Limited dialogue among the public and private sector and vested interests exist in Afghanistan and may derail reform process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Human rights (Do no harm principle).</strong></td>
<td>M</td>
<td>Project implementers will be careful not to promote such practices. Project implementers will notify stakeholders when it is not appropriate to provide support owing to engaging in activities contrary to the promotion of human rights.</td>
</tr>
<tr>
<td>There exists government and business practices which can undermine the standards of protection afforded by human rights treaties to which donors and partners have committed themselves.</td>
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<tr>
<td><strong>Assumptions</strong></td>
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</tbody>
</table>
The international community remains engaged in Afghanistan and actively engaged in the reform process, while working in synergy; sustained commitment and ownership of a robust regional trade agenda and progress fulfilling the WTO commitments by the Afghan Government; continued and enhanced buy-in of regional countries to improve regional cooperation and trade relations with Afghanistan; the political and security situation improves or at least it does not deteriorate; political leadership and wide support for trade reforms; the public sector avoids high staff turnovers and it can absorb capacity building interventions; sufficient numbers of women owned companies at a sufficient level of maturity to be able to trade internationally.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The proposed action will build on phase I of the "Advancing Afghan Trade" project and draw upon the lessons learnt, mid-term evaluation and feedback from stakeholders. In particular, the following lessons learned will be taken into account:

- A careful selection is required to identify responsible partners including support institutions, enterprises and value chain operators.
- Raising awareness and gaining input and support for bilateral stakeholder consultations in the diverse capitals of the region proved sometimes to be challenging. This will require specific attention as key aspects of the project will again aim to advance regional collaboration not only in the areas of trade facilitation / trade policy, but also connecting buyers and sellers, developing regional value chains and intergovernmental collaboration in areas such as product standards.
- There is an ongoing need to ensure alignment/coordination and linkages between this action and other initiatives funded and implemented by EU and other development partners.
- Processes to obtain inputs/direction from Government counterparts can at times be slow and delayed. This is also linked to the high rate of turnover amongst staff, with transfer of knowledge to newcomers not always well observed.
- Interventions should promote balanced representation of public and private stakeholders, notably in the governance structure of public-private dialogue mechanisms. As noted in the mid-term evaluation, the phase I approach involving private sector partners proved to work out very well for the beneficiary's ownership sentiment.
- Achieving the equal participation of women in project activities can be difficult given Afghanistan’s socio-political context. Hence, the intervention should work out specific means to reach out better to women and to empower their participation in the project. It is expected from the whole SO3 (see below), where a specially created "She Trades Afghanistan" team will work upon the purpose.
- As learnt through the Mid-Term Evaluation of the phase I of the project, the outputs of the action, in most of the cases have been answers to some of the pressing challenges faced by the Afghan business community and indeed provided the much needed blueprint to advance trade in the country in a way that promotes regional cooperation and the alleviation of poverty. The regional, cross-border dimension of the project that leads to increased exports and country's strengthened connectivity, should be further enhanced in the phase II.

3.2 Complementarity, synergy and donor coordination

The action seeks to ensure complementarities and synergies with other initiatives, specifically with ongoing and past ITC projects.

For the competitiveness of both the agriculture and manufactured products sectors, AAT will look at synergies with the EU funded project Ethical Lifestyle Initiative in order to build on the value chain,
compliance and market development interventions under ELI by providing support services and improved enabling environment support to the Social Enterprises that were prioritized, as well as to their associated supply and commercialization chains.

The action will scale up interventions such as the one of ELI, through the expansion of the ethical and responsible framework throughout the value chains, reaching out a more vast group of stakeholders (e.g. beyond the ELI targeted beneficiaries i.e. social enterprises) and applying a wider methodological approach, i.e. through its business enabling environment and women specific interventions.

Synergies will be sought also with the ongoing EU Support to Agriculture and Rural Development in Afghanistan, especially the EU FARM project; and the Supporting Cooperation and Opportunities for Regional Economic Development (SCORED) project. The action will cross-fertilise for aggregated results with the Agribusiness Charter (ABC) which is also aiming to support the development of agricultural value chains as well as the business enabling environment in which this will happen, such as quality, food safety, SPS and the envisaged creation of integrated agri-food parks. The action will moreover facilitate the ongoing EU-Afghanistan policy dialogue in the context of the EU State and Resilience Building Contract (SRBC) through its indirect support and contribution to strengthening domestic resources mobilisation.

As regards the manufactured products sector competitiveness: Synergies will be sought with relevant projects/initiatives, such as the prominent USAID's "Passage to Prosperity": India-Afghanistan Trade and Investment Show.

Trade enabling business environment: In addition to seeking synergies and cross-fertilisation with the Agribusiness Charter (ABC), the AAT phase 2 will help implementing the recommendations of the EU-funded OECD’s 2018 Afghanistan peer-review: "Boosting Private Sector and Entrepreneurship Policies in Afghanistan"; of the NPPs and other strategic documents of the Government of the Islamic Republic of Afghanistan (GIRoA) and help advance the economic reforms along with the EU SRBC. Other donors’ interventions (e.g. HARAKAT by DFID) and (micro-) financial institutions (e.g. the Afghan Credit Guarantee Foundation (ACGF), and WB), will be linked to the action for an aggregated effect.

The action will contribute to the EU’s role to support Aid for Trade (AfT) initiatives in Afghanistan through the Enhanced Integrated Framework (EIF), an initiative under the WTO auspices which the EU is a member of. The EU will be better informed of Afghanistan’s constraints/opportunities to trade-led development as well as ongoing government/donor led initiatives. This will in turn enable the EU to better participate in EIF discussions to steer/fund the further AfT initiatives in Afghanistan in addition to committing the EU’s own funding.

Women entrepreneurs: Synergies will be sought with the USAID project, "Promote Women in Economy", and "Goldozi Project" as well as the WB's "Afghan Women's Economic Empowerment" project.

Further coordination will be sought through the PRiSEC, which will be the main forum to monitor the implementation of the recommendations included in the National Priority Programme for Private Sector Development (NPP PSD), the NES, the Afghanistan National Trade Policy (ANTP) and other economic strategies of the Government.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The project’s overall objective is to foster a more inclusive and exports-led economic growth.

The specific objectives are the following:

SO1: Strengthened business/investment environment related to regional economic integration and connectivity
SO2: Improved competitiveness and economic, social and environmental responsibility in agri-business and manufactured products value chains (products to support selected from the NES' identified sectors of: saffron, dried fruits and nuts, fresh fruits and vegetables, precious stones and jewellery, marble and granite and carpets.

SO3: Increased engagement of Afghan women in international/regional trade (SheTrades Afghanistan)

To support the attainment of these specific objectives (expected results), the project will unfold through the following related outputs, and indicative activities:

**Specific objective 1: Strengthened business/investment environment to support regional economic integration and connectivity**

Output 1.1 Modernized quality/SPS/packaging infrastructure and management\(^{15}\)
The activities under this output will involve support, trainings, consultation mechanisms on standards, technical regulations, quality, SPS/TBT measures and address all sorts of obstacles to cross-border trade in line with WTO membership and international markets compliance. The action shall evaluate and strengthen the capacity of local vocational, education and training centres to understand private sector needs, formulate adapted curricula and deliver relevant trainings including for self-employed activities and labour standards. The food control system and food safety legislation will be part of the output's activities, as activities continued from phase I of the action.

Output: 1.2. Strengthened management, networking and technical capacity of export/investment promotion institutions
The activities will aim to strengthen the managerial, technical and operational capacities of EPAA, Afghan commercial attachés and of MoIC investment promotion capacity. The activities shall help paving the ground for EU blending and future EFSD+ (European Fund for Sustainable Development+) guarantee (under new Multiannual Financial Framework (MFF) for 2021-27) to effectively attract investments.

Output: 1.3. Enhanced opportunities for private sector participation in consultations on policy/regulatory issues with neighbouring countries
The activities will include regular multi-stakeholder consultations on issues affecting cross border trade/transit, with monitoring scheme/feedback to stakeholders on progress and collaboration/agreements on next steps, involving position papers and policy proposals.\(^{16}\)

Output: 1.4 Enhanced capacity for streamlining and enhancing transparency of cross border procedures as a tool for regional connectivity
The activities under the output will include advisory services to set up the institutional framework for the establishment of a Trade Facilitation Portal (TFP) in line with the WTO TFA category C measures such as information availability through internet, customisation of the TFP and feeding with the required information, as continued from the works on the TFP started under the phase I. Advisory services to the Inter Ministerial Committee on WTO and Trade Facilitation (IMCWTF) to review trade procedures/documentation, and provide support to reduce their number/complexity in line with the WTO TFA and capacity building to private sector, policy makers and trade support institutions (TSIs) on the topic are also envisaged.

**Specific objective 2: Improved competitiveness and economic, social and environmental responsibility in agri-business and manufactured products value chains\(^{17}\)**

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\(^{15}\) Countries to be further identified by MoIC. May include Uzbekistan, Kazakhstan, Turkey, India, Pakistan and U.A.E (it will also depend on future developments)

\(^{16}\) Specific products to be defined through a consultative process with the Afghan stakeholders.
Output: 2.1. Value chain productive and commercial alliances are established in the agribusiness and manufacturing sectors
Activities under the output will include market assessment and cost benefit analysis in order to define and select agricultural as well as manufactured products value chains and best export markets. The action will support establishing public private value chain alliances for action, promoting inclusive and sustainable market and buyer linkages and facilitating inclusive finance and investment that promote productive and commercial capacities. Farmers, artisans and MSMEs will be mapped and their skills assessed. Potential decent work deficit and living incomes in targeted value chains shall get evaluated and assessed using ELI compliance framework in the context of the Alliances. Capacity will be built in businesses to develop sustainable business plans, as well as to promote gender equality and women’s empowerment as well as respect the protection of human rights prevention of child labour and forced labour and avoiding any unintended negative consequences on most vulnerable segments of the society and other aspects of the Corporate Social Responsibility (CSR) of enterprises.

Output: 2.2: Enhanced operations, support services and capacities of MSMEs and farmer cooperatives to attain regional/international competitiveness
Activities under the output will include support to build productive and commercial capabilities for smallholder farmers and MSMEs (including family farmers, women and youth) in a climate smart and resilient way; support the enhancement of the level of local value addition and processing for improved income diversification and product development; promote the adoption of clean technology in production processes for a better environmental management. Beneficiary manufacturing MSMEs shall obtain practical training for production and finishing of high quality, environmentally friendly items as well as support in developing and implementing a national traceability system for responsible production and commercialization, while improving their awareness on regional and international standards, traceability and transparency requirements. Business services functions envisaged by the action will strengthen service systems and capabilities of farmer based organizations (FBOs), smallholder producers and MSMEs and their association. Through the inclusive VC alliances support will be provided to improve finance and investment linkages for MSMEs. The action shall also provide direct support on branding, marketing and commercialization for MSMEs participation in buyer - seller meetings as well as regional and international trade and industry fairs.

Output: 2.3: Branding and commercialisation strategies for Afghan manufactured products developed
Activities under the output will include mapping existing policies fostering or impinging the establishment of a traceability systems and/or the setting of Afghan standards on quality and origin. The beneficiary MSMEs and/or manufactured product associations will obtain support in developing and implementing a national traceability system for responsible production and commercialization, while improving their awareness on regional and international standards, traceability and transparency requirements. Activities under the output will include support to Afghan artisans/MSMEs to develop and implement commercial strategies (branding and marketing, informing in standards and quality, origin, compliance framework, as required) in response to regional and international industry opportunities, market demand and trends.

Women’s participation will be supported across all the above-mentioned specific objectives and outputs.

Specific objective 3: Increased engagement of Afghan women in international/regional trade (SheTrades Afghanistan)

Output 3.1: Increased capacity of women entrepreneurs to participate in policy dialogue
Activities under the output will include support to strengthen the capacity of the Afghanistan Women Chamber of Commerce (AWCCI) to engage in national policy processes to ensure that the needs of business women are taken into consideration. AWCCI shall get included in selected international policy dialogues to gain learning exposure and ensure women's concerns are taken into consideration.
Output 3.2: Increased linkages of women entrepreneurs with international businesses
Activities under the output will include support to AWCCI member companies to improve their competitiveness and connect them to markets. It is envisaged to provide a specific 'She Trades' platform with a tailored support package, including webinars and train-the-trainer programmes (topics to be decided upon needs assessment). Selected women owned businesses will obtain support to attend regional trade fairs and other B2B events and get connected to buyers virtually through the SheTrades app and other digital marketing platforms.

Output 3.3: Gender mainstreamed across the project
ITC SheTrades team will support other project specific objectives to integrate gender considerations. The action will provide gender and age disaggregated base-lines and targets.

4.2 Intervention Logic
Activities under the specific objective 1 aim at fostering conducive business/investment environment supportive of regional integration and connectivity. Building from the NES, it will address cross-cutting and common business environment challenges that are in need to be addressed for the sectors envisaged under specific objective 2. These relate to quality management, trade facilitation, access to finance, addressing tariffs and other non-tariffs related measures impeding trade and investment between Afghanistan and other neighbouring countries, and trade support institutional strengthening. The intervention will strengthen the trade related capacities of the Government (MoIC – including EPAA; Investment Promotion and Support Directorate, ANSA, MAIL, etc.) to address such challenges and to promote regional integration and connectivity. In addition, AWCCI’s role to support trade and investment will be strengthened.

The objectives and results pursued under the specific objective 1 (business environment) will be synergetic to those under specific objective 2, maximising the returns. Co-ordination will also be promoted with the other regional EU-funded projects in Afghanistan and in the region.

Activities under specific objective 2 will aim to improve export quality, value addition, connectivity and compliance with market requirements by business operators in selected:

i. Agri-business sector value chains (products to support selected from NES-identified saffron, dried fruits and nuts, fresh fruits and vegetables sectors), and;

ii. Manufactured sector value chains (products to support selected from NES-identified jewellery and precious stones, marble and granite, carpets sectors).

Activities under specific objective 2 will focus on improving the competitiveness of support services and value chain operators. Specifically, the proposed action will aim to increase MSMEs ability to connect to regional/global production networks, enhance the competitiveness of national production systems based on commercial and productive alliances and responsible business strategies. Innovation and strengthening of associated MSMEs and support service capacities will result in improved connection with and capitalization of market opportunities.

To reach these objectives, production and commercialization systems will be supported and market, finance and investment linkages promoted. To scale up impact, the project will encourage mutual learning and peer-to-peer organizational support. Value chain operators and private sector capacity-building services will be applied in partnerships with value chain alliance support service institutions, e.g. vocational training providers, producer cooperatives, sector associations, quarantine services and other business and sector development related institutions and agencies, creating public-private productive alliances.

Interventions are designed to ensure that improved competitiveness also has direct linkages to human rights, UN Global Compact, social-economic improvements and sustainable agriculture and manufactured products development.
Activities under specific objective 3 shall focus exclusively on enabling women to trade internationally, by building the competitiveness of women-owned businesses and ensuring that the policy and institutional environment is able to respond to their needs and provide support accordingly.

4.3 Mainstreaming

Women inclusion: Support for women involvement in business is considered particularly important as a means to promoting stability and prosperity. Specific objective 4 will focus exclusively on women. Gender will also be mainstreamed into the rest of the project. To address this under specific objectives 2 and 3, activities will aim at facilitating the integration and positioning of women into trade-related activities, including those in which they have been previously marginalized from (such as higher end business interactions).

Youth inclusion: Because of increased economic emigration by predominantly younger citizens, Afghanistan needs labor-intensive growth to create incentives for youth to remain. About two-thirds of youth employment in the southwest is in agriculture. Further efforts will be made to ensure specific targeting of youth for support in project activities

Environment: Environmental issues will be embedded in value chain specific objectives of the intervention. In particular in the context of specific objectives 2 and 3, climate change adaptation and mitigation and energy efficient manufacturing practices will be promoted as well as sustainable and climate smart farming practices. Good Agricultural Practices (GAP) will be used to guide production systems that foster sustainable agriculture and are ecologically safe.

Resilience: The proposed action aims to strengthen the capacity of the social-ecological system within the country to withstand perturbations from, for example climate or economic shocks, and to rebuild and renew itself afterwards. Through strengthened support service systems and capabilities of farmer organizations, the programme contributes to sustainable and climate smart farming practices. Furthermore, the improvement in production capacities will lead to innovation support, and sustainable farming and business models.

Human rights: Trade is instrumental in achieving human rights, as it creates the means for providing additional resources both at the individual level (through employment and expanded markets) and at the country level (through national expenditure and growth), which can then be harnessed to deliver rights and services. The improvement of international trade contributes directly to the right to work. The priority sector of the action (agriculture) aims to involve the disadvantaged groups into the labour market.

Anti-corruption: Efforts will be made to better understand the root cause of corruption and the role various government and non-government actors may play in reducing current high levels of corruption in areas relevant for this action. Mitigation measures will be designed to curb corruption, including transparency in processes and insurances for sound decision making.

4.4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDGs through targeted objectives and actions notably under Goal 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all“ (targets 8.1, 8.2 and 8.10), as well as Goal 5: "Achieve gender equality and empower all women and girls“ (target 5.5); Goal 10: “Reduce inequality within and among countries” (targets 10.2 and 10.6), Goal 12: “Responsible Production and Consumption Patterns” (targets 12.5 and 12.8), and Goal 17: “Revitalize the global partnership for sustainable development” (targets 17.11 and 17.12).

18 Under AAT I, the intervention is aiming at strengthening the Start-ups and Emerging Entrepreneurs Network” (SEEN) and young entrepreneurship in the saffron sector. The intervention under the proposed action will further builds on this and involve SEEN in all relevant activities.
5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

5.3.1 Indirect management with an international organisation.

This action may be implemented in indirect management with the International Trade Centre (ITC). This implementation entails the activities described under 4.1.

The envisaged entity has been selected using the following criteria: (i) the entity should possess specific experience and have a recognised stance (pre-existing role) in Afghanistan as well as regionally in trade policy/strategy development. (ii) recognised specialized knowledge and competence in trade development and export promotion in developing countries, with a mandate to enhance the private sector (MSMEs and SMEs) competitiveness with a view to foster their internationalisation. (iii) have a focus on expanding trade opportunities with the aim of fostering sustainable development.

Based on the above criteria, ITC is considered the ideal implementing partner due to the fact that it is the only international organization focused solely on trade development for developing and transition economies. Furthermore, ITC has already been implementing the first phase of this Action (AAT Phase I) with positive results and has been able to build constructive partnerships with key national counterparts that will be benefiting by this new Action as well. Finally, ITC has a very good knowledge of Afghanistan political and social context due to its several-years presence in the country.

In case the envisaged entity would need to be replaced, the Commission’s services may select another replacement entity using the same criteria.

5.4 Indicative budget

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect management with ITC (cf. section 5.3.1)</td>
<td>11 750 000</td>
<td>N.A</td>
</tr>
<tr>
<td>Evaluation (cf. section 5.7), Audit (cf. section 5.8)</td>
<td>250 000</td>
<td>N.A</td>
</tr>
<tr>
<td>Communication and visibility</td>
<td>N.A.</td>
<td>N.A</td>
</tr>
<tr>
<td>Contingencies</td>
<td>N.A.</td>
<td>N.A</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12 000 000</strong></td>
<td><strong>N.A</strong></td>
</tr>
</tbody>
</table>
5.5 Organisational set-up and responsibilities

The modalities of implementation will respect the principles of aid effectiveness in terms of ownership by the final beneficiary and alignment on national policies e.g. through joint planning and steering of project implementation.

A governance mechanism will be provided through a Project Steering Committee. It will meet annually and will provide general guidance to and will decide which priority areas to be addressed. In addition, it will ensure coordination and synergies with other trade-related interventions implemented in Afghanistan.

The Steering Committee will be composed by representatives of:

- European Union Delegation of Afghanistan (Co-Chair)
- Ministry of Industry and Commerce (Co-chair)
- Preeminent private sector organizations (e.g. Afghanistan Chamber of Commerce and Industry)
- Relevant trade related national agencies
- Selected private sector representatives including those representing the sectors covered under specific objectives 2 and 3
- Implementing agency (ITC).

Day-to-day coordination throughout the implementation of the action will be done from Kabul, where ITC has already established a project office and representation.

The entrusted entity implementing the action, in charge of project management and responsible for the achievement of expected results, will design work plans, provide advice, training and other inputs, including through external resources i.e. identify, contract and guide consultants and companies, undertake monitoring and evaluation, and requested reporting. The entrusted entity would work in tandem with local implementing partners.

Local implementing partners will facilitate and organize events, provide expertise/consultancy, outreach to private business, support for implementation of the activities in provinces among other tasks.

5.6 Performance and results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and specific objectives) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

Baseline and endline surveys of target beneficiaries will be conducted by the project in order to ensure that results can be measured not only at output level (i.e. number of farmers/MSMEs supported by the Action) but also at specific objective level (i.e. investment levels, transacted regional/international business before and after the EU-funded intervention).

Quarterly progress report briefs will also be prepared and shared with main beneficiaries and, which will provide to the EU their awareness and feedback. The reports will provide a brief summary of

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19 Efforts will be made to participation: large and small, importers and exporters, carrier, cargo forwarders and cargo owners, shippers association and cargo forwarders association if they exist
progress made for each specific objective/output during the past quarter (including progress on indicators); immediate next steps for the next quarter; a full summary of all media coverage received, and; finally flagged key support required from stakeholders.

SDGs indicators and, if applicable, any jointly agreed indicators, such as those included in a Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.7 Evaluation

A mid-term and final evaluation will be carried out for this action or its outputs via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to a possible intention to launch a next phase of the action.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) and to create a forward looking perspective, taking into account in particular the fact that the proposed action is a second phase of a first trade-related action implemented by the EU in Afghanistan.

The monitoring and evaluation will also assess to what extent the Rights-Based Approach principles have been applied in the program (non discrimination, participation, accountability, transparency etc.). Gender and RBA expertise shall be included as a requirement and criteria in the ToRs.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia, provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.8 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

5.9 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.4 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.
The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.
<table>
<thead>
<tr>
<th>Results chain:</th>
<th>Indicators</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact (Overall Objective)</td>
<td>Foster more inclusive and export-led economic growth</td>
<td>Value of Afghanistan’s exports in the selected value chains to regional and international markets**&lt;br&gt;Number of MSMEs/farmers cooperatives exporting in the selected value chains (sex disaggregated)<strong>&lt;br&gt;Incomes of beneficiary stakeholders (sex and age disaggregated) in the selected value chains</strong>&lt;br&gt;Employment to population ratio by gender and age group (in the selected value chains)**</td>
<td>MoIC/ACCI Statistics: IMTS databases, ITC trade flows databases&lt;br&gt;Sales data of exports and associations (ACCI, AWCCI, sectoral)</td>
</tr>
</tbody>
</table>

| Outcome(s) (Specific Objective(s)) | 1: Strengthened business/investment environment to support regional economic integration and connectivity | 1.1 Number of cases in which trade-related policies and/or regulations have been adopted by the government in favour of the international competitiveness of small and medium-sized enterprises as a result of the action | 1.1 Reports from relevant Ministries (e.g. MoIC, MAIL), governmental agencies (e.g. ANSA), PRISeC and/or project | Positive measures for the business environment and improved trade support services are not cancelled out by a deteriorating security situation affecting exporters<br>Political will and bureaucratic reactivity (including efficient role of PRISeC) to implement recommendations remain |
| | | 1.2 Number of institutions (including export/investment promotion organisations, quality/SPS, Customs, business organisations, women entrepreneurs associations) reporting improved operational and managerial performance | 1.2 Surveys and/or feedback evaluations of institutions carried out by the project | |
| | | 1.3 Number of Afghan representatives (disaggregated by sex, age and sector) reporting a positive change in their support/operations in relation to quality, standards, SPS, TBT, extension services | 1.3 Follow-up surveys of event participants carried out by the project | |
| | 2: Improved competitiveness and economic, social and environmental responsibility in agri-business and | 2.1 Number of institutions (including business organisations, farmer cooperatives, women entrepreneurs associations) reporting improved operational and managerial performance | 2.1 Surveys and/or feedback evaluations of institutions carried out by the project | |

20 Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**.
<table>
<thead>
<tr>
<th>Outputs</th>
<th>Output 1.1: Modernized Quality/SPS/Packaging infrastructure and management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1. Number of quality/SPS/packaging infrastructure that got procured or modernised through project support</td>
<td>1.1.1. Suppliers’ reports</td>
</tr>
<tr>
<td>1.1.2. Number of recommendations developed with project support on quality/SPS/packaging related policies/regulations/procedures</td>
<td>1.1.2. Draft regulations, policies, procedures</td>
</tr>
<tr>
<td>1.1.3. Number of participants trained in stakeholder quality and SPS (disaggregated by sex, age and function: public sector/TSIs/ MSMEs)</td>
<td>1.1.3. Project database of training participants</td>
</tr>
<tr>
<td>1.1.4. Number of advisory services (technical</td>
<td>1.1.4 Institutions/</td>
</tr>
</tbody>
</table>

| 2.2 Number of MSMEs/farmers’ cooperatives (sex and age disaggregated whenever possible) having made changes to their business operations for increased international competitiveness as a result of the Action** | 2.2 Survey of MSMEs/farmers carried out by the project |
| 2.3 Number of MSMEs/members of cooperatives and associations (sex and age disaggregated whenever possible) having engaged in trade leads at regional/international level as a result of the Action | 2.3 Survey of MSMEs/members of cooperatives and associations carried out by the project |

3: Increased engagement of Afghan women in international/regional trade

| 3.1 Number of institutions reporting improved engagement on women entrepreneurs in relation to trade issues as a result of ITC’s support** | 3.1 Surveys and/or feedback evaluations of institutions carried out by the project |
| 3.2 Number of women-owned enterprises having made changes to their business operations for increased international competitiveness** | 3.2 Survey of women-owned enterprises carried out by the project |
| 3.3 Number of women-owned enterprises having engaged in trade leads at international/regional level as a result of the Action** | 3.4 Survey of women-owned enterprises carried out by the project |

Political relationships between neighbouring/regional countries do not deteriorate

The process of regional trade integration/connectivity maintains its momentum and Afghanistan Government also maintains its commitment.

The political will demonstrated throughout the WTO TFA ratification process is sustained during its implementation.
<table>
<thead>
<tr>
<th>Output 1.2: Strengthened management, networking and technical capacity of export/ investment promotion institutions</th>
<th>1.2.1. Number of participants from export/ investment promotion institutions trained on managerial and operational good practices (sex and age disaggregated)</th>
<th>1.2.1 Project database of training participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.2. Number of advisory services (technical papers/research/reports/missions) provided to strengthen the performance of the export/investment promotion institutions</td>
<td>1.2.2. Institutions/Missions and events reports</td>
<td></td>
</tr>
<tr>
<td>Output 1.3: Enhanced opportunities for private sector participation in consultations on policy/regulatory issues with neighbouring countries</td>
<td>1.3.1. Number of recommendations produced with project’s support to improve regional trade/investment</td>
<td>1.3.1. Missions and events reports</td>
</tr>
<tr>
<td>1.3.2. Number of advisory services (trade/investment related position papers, technical papers/research studies/reports/missions) provided to inform policy dialogue</td>
<td>1.3.2. Completed papers/studies/reports</td>
<td></td>
</tr>
<tr>
<td>1.3.3. Number of participants engaging in stakeholder consultations (disaggregated by sex, age and function: public sector/TSIs/MSMEs)</td>
<td>1.3.3. Missions and events reports</td>
<td></td>
</tr>
<tr>
<td>Output 1.4: Enhanced capacity for streamlining and enhancing transparency of cross border procedures as a tool for regional connectivity</td>
<td>1.4.1. Number of recommendations developed with project support to reduce the number of steps and documentation requirements</td>
<td>1.4.1. Minutes of IMCWTF</td>
</tr>
<tr>
<td>1.4.2. Number of product specific trade formalities mapped through Business Process Analysis and published online</td>
<td>1.4.2. Mapping report</td>
<td></td>
</tr>
<tr>
<td>1.4.3. Number of participants in stakeholder consultations/meetings/trainings (disaggregated by sex, age and function: public sector/TSIs/MSMEs)</td>
<td>1.4.3. Project database of event participants</td>
<td></td>
</tr>
<tr>
<td>The current political will to open up trade within the region is maintained</td>
<td>There is a political will to take into consideration the private sector views</td>
<td></td>
</tr>
<tr>
<td>Uptake of sustainable production practices, traceability systems and product development is high among entrepreneurs</td>
<td>Interest for sustainable sourcing practices in relation to products linked to the project remains a priority for buyers</td>
<td></td>
</tr>
<tr>
<td>Commitment of</td>
<td>Uptake of sustainable production practices, traceability systems and product development is high among entrepreneurs</td>
<td></td>
</tr>
<tr>
<td>Output 2.1: Value chain productive and commercial alliances are established in the agri-business and manufacturing sectors</td>
<td>2.1.1. Number of value chain alliances established with support of the project between operators and buyers</td>
<td>2.1.1. Project progress reports</td>
</tr>
<tr>
<td></td>
<td>2.1.2. Status of the mapping and profiling of farmers and MSMEs – sex and age-disaggregated</td>
<td>2.1.2. Surveys carried out by the project</td>
</tr>
<tr>
<td></td>
<td>2.1.3. Number of beneficiary MSMEs having benefited from trainings on business development, gender and CSR</td>
<td></td>
</tr>
<tr>
<td>Output 2.2: Enhanced operations, support services and capabilities of MSMEs and farmer cooperatives to attain regional/international competitiveness</td>
<td>2.2.1. Number of farmers and MSMEs representatives trained by the project on sustainable production and product-market development (disaggregated by sex, age and function: farmer or MSME)</td>
<td>2.2.1. Project database of training participants</td>
</tr>
<tr>
<td></td>
<td>2.2.2. Numbers of entrepreneurs/MSMEs and farmers having met with buyers thanks to the project (disaggregated by sex, age and function: farmer, entrepreneur, MSME)</td>
<td>2.2.2. Project progress reports and database of event participants</td>
</tr>
<tr>
<td>Output: 2.3: Branding and commercialisation strategies for Afghan manufactured products developed</td>
<td>2.3.1. Number of stakeholders participating in trainings/meetings on sustainable production, market development, traceability and/or origin (disaggregated by sex, age and functions: artisans, entrepreneurs or MSME)</td>
<td>2.3.1. Project database of training and meeting participants</td>
</tr>
<tr>
<td></td>
<td>2.3.2. Number of traceability systems developed with the project support (especially important for gems and jewellery)</td>
<td>2.3.2. Project progress reports</td>
</tr>
<tr>
<td></td>
<td>2.3.3. Number of standards developed for traceability, quality and origin regulation (for gems and jewellery)</td>
<td>2.3.3. Project progress reports</td>
</tr>
<tr>
<td></td>
<td>2.3.4. Number of MSMEs having developed branding and commercial (i.e. marketing) strategies responsive to international industry opportunities, market demand and trends</td>
<td></td>
</tr>
<tr>
<td>Output 3.1: Increased capacity of women entrepreneurs to participate</td>
<td>3.1.1. Number of recommendations produced to improve participation of women in trade/investment</td>
<td>3.1.1. Project progress reports</td>
</tr>
<tr>
<td></td>
<td>3.1.2. Project database of event participants</td>
<td></td>
</tr>
</tbody>
</table>
| Output 3.2: Increased linkages of women entrepreneurs with international businesses | 3.1.2. Number of stakeholders participating in public-private dialogue consultations (disaggregated by sex, age and sector) | 3.2.1. Number of women entrepreneurs trained on competitiveness and market connectivity  
3.2.2. Number of women entrepreneurs advised by the project on possible changes to their business operations for increased international competitiveness | 3.2.1. Database of training participants  
3.2.2. Project progress reports |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 3.3: Gender mainstreamed across the project</td>
<td>3.3.1. Percentage of project strategies, training curricula and work plans reviewed by the SheTrades team</td>
<td>3.3.1. Project progress reports</td>
<td></td>
</tr>
</tbody>
</table>