

ADVANCING AFGHAN TRADE

EU Trade-Related Assistance



SUMMARY

The three-year project, funded by the European Union, will assist Government of Afghanistan in improving the conditions to use trade as a lever for enhanced regional cooperation, economic and human development and poverty reduction. It aims to strengthen human and institutional capacity on trade policy and strategy

formulation and implementation with active engagement of the private sector. The project, which is in line with Afghanistan National Peace and Development Framework (ANPDF) 2017 – 2021, started in August 2016 and will run until August 2019.

PROJECT PARTNERS AND BENEFICIARIES

Ministry of Commerce and Industry (MoCI) is in charge of trade policy formulation and trade negotiations in Afghanistan and will be the main counterpart and beneficiary of this project. National institutions and agencies such as Afghanistan's Customs Department, Afghan Chamber of Commerce and Industry (ACCI),

Afghanistan National Standards Authority (ANSA), sectoral trade and investment support organizations, universities and research institutions, private sector and non-governmental partners will also contribute to and benefit from various project activities.

PROJECT OBJECTIVES

The foreseen impact, “*Enhanced trade and regional integration of Afghanistan as a lever for confidence building, economic and human development and poverty reduction,*” will be achieved by strengthening institutional capacity to formulate and

implement effective trade policies and strategies with a special focus on regional cooperation, engaging private sector to participate in trade policy reforms and dialogue, and building sustainable mechanisms to invest in human capital and to ensure local ownership.

CONTEXT

The Government of Afghanistan recognizes international trade as an important driver of growth and has prioritized trade, transit and regional cooperation as critical elements in its economic development strategy. It is committed to trade reforms aimed at unlocking the potential of the country's export sector which is evident from recent initiatives undertaken by the country such as

accession to the World Trade Organization (WTO) and ratification of WTO Trade Facilitation Agreement (TFA). However, this changing trade environment requires solid understanding of trade issues, design and implementation of legislative reforms and their enforcement through institutionalized mechanisms

RESULTS EXPECTED FROM THE PROJECT

National Export Strategy (NES) design

- The Government of Afghanistan owns a national export strategy and action plan that was developed in a consultative process with the private sector and has started its implementation.
- The NES analyzes the country's needs, constraints and opportunities (especially in the regional markets) to provide a well-articulated roadmap to strengthen Afghanistan's supply and export capacities, implement trade reforms, identify regional partners and potential investment opportunities and address SMEs' knowledge of cross-border procedures.

NES implementation kick-off with focus on quality management, Sanitary and Phytosanitary (SPS) measures and regional regulatory cooperation:

- National public and private stakeholders are enabled to manage and coordinate the implementation of the National Export Strategy and mobilize support to implement the validated roadmaps.
- Priority interventions identified during the National Export Strategy design process are implemented to improve regional integration and international trade competitiveness.

Trade Policy and Facilitation

- *Capacity building on trade policy:* Knowledge-sharing mechanisms for Afghan policymakers on trade policy and negotiation formulation and implementation are established in partnership with a training institute from the region. The methodology developed has been used to extensively train 50 national policymakers.
- *National Trade Facilitation Committee strengthening:* Institutional mechanisms to facilitate the implementation of the Trade Facilitation Agreement (TFA) are established in Afghanistan and linked with regional partners.
- *SME training:* Knowledge of SMEs on how to manage cross-border procedures and compliance with regional and/or global market requirements is built (building on NES findings to include priority markets).
- *Consultation process:* Public-private consultation processes on most pressing trade, regulatory or negotiation issues (domestic or regional) are strengthened.

A focus on **Local Ownership, Trade Learning and Capacity Building** for Regional Cooperation will cut throughout all above components by developing a National and Regional Trade Knowledge Sharing Platform, Capacity Building for Afghanistan Trade Professionals and Sustainable Service Delivery and Quality Assurance.

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