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CONTENTS

ACRONYMS	5
A. PROJECT OVERVIEW	7
B. EXECUTIVE SUMMARY	10
C. COMPONENT 1: TRADE POLICY LIBERALIZATION	14
1. Support WTO Accession Process	14
2. Support Legislative Reforms for WTO Conformity	16
3. Build Sustainable Capacity for the Fulfillment of Key WTO Commitments	17
3.1 Intellectual Property Rights	18
3.2 Sanitary and Phytosanitary Measures	19
3.3 Technical Barriers to Trade	21
3.4 Safeguards Unit at MOCI.....	22
3.5 Afghan Customs Department.....	22
4. Build Capacity and Technical/Financial Sustainability of ANSA	23
4.1 Certification Unit.....	23
4.2 ANSA Training and Information Center	24
5. Assist in Building Capacity and Technical Sustainability of WTO Unit	24
6. Assist in Building Analytical Capacity	25
6.1 Trade Policy Analysis Unit	25
6.2 Central Statistics Office	26
7. Assist in Building Nationwide WTO Awareness	27
D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS	28
1. Afghanistan	28
1.1 Cross Border Transport Agreement	28
1.2 South Asia Free Trade Agreement	29
1.3 Afghanistan Pakistan Transit Trade Agreement	30
1.4 Transports Internationaux Routiers Convention	30
1.5 WTO Trade Facilitation Agreement	31
1.6 Electronic Data Interchange.....	32
1.7 Trade and Business Promotion	32
2. The Kyrgyz Republic	35
2.1 Cross-Border Transport Agreement.....	35
2.2 Customs Risk Management and Post Clearance.....	35
2.3 WTO Trade Facilitation Agreement	36
2.4 Electronic Data Interchange.....	36

2.5 Comprehensive Integrated Tariff System	36
2.6 Trade and Business Promotion	37
3. Tajikistan.....	37
3.1 Pakistan-Afghanistan-Tajikistan Transit Trade Agreement.....	37
3.2 Customs-Related Agreements/MOUs.....	38
3.3 Customs Risk Management and Post Clearance.....	38
3.4 WTO Trade Facilitation Agreement	38
3.5 Electronic Data Interchange.....	38
3.6 Comprehensive Integrated Tariff System	39
3.7 Trade Documents/Procedures and Single Window	39
3.8 Veterinary Service Support	39
3.9 Trade and Business Promotion	40
4. Turkmenistan	41
5. Uzbekistan	41
6. Cross-Cutting Regional Activities	41
E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION	44
1. Improved Tax Administration.....	44
2. Improved Customs Administration.....	44
2.1 Support Regional Integration.....	44
2.2 Institutionalize the Border Management Model	44
2.3 Strengthen the Customs Code and Customs Policies	46
2.4 Implement Risk Management Systems.....	46
2.5 Implement Electronic Payment of Customs Debt.....	47
2.6 Increase Gender Representation at ACD	49
2.7 Reduce Corruption at ACD	49
2.8 Implement Taxpayer Outreach Programs.....	50
2.9 Support Streamlined Customs Procedures.....	51
2.10 Support the Afghan National Customs Academy	52
F. INDICATOR PERFORMANCE.....	54
G. LESSONS LEARNED	71
1. Challenges.....	71
2. Lessons Learned	72
3. Assessments.....	73
H. GIROA AND DONOR COLLABORATION	74
1. Links with GIROA	74
2. Links with Donor Agencies	74
3. Links with USAID Projects	75
ANNEX A: WTO LEGISLATIVE ACTION CHART.....	76

ACRONYMS

ACBR	Afghanistan Commercial Business Registry
ACCI	Afghanistan Chamber of Commerce and Industry
ACD	Afghanistan Customs Department
ADB	Asian Development Bank
ANCA	Afghanistan National Customs Academy
ANDS	Afghanistan National Development Strategy
ANMSO	Afghanistan National Medical Services Organization
ANSA	Afghanistan National Standards Authority
APHA	Afghanistan Private Hospital Association
APTTA	Afghanistan-Pakistan Transit Trade Agreement
APTTCA	Afghanistan-Pakistan Transit Trade Coordinating Authority
ASYCUDA	Automated System for Customs Data
ATAR	Afghanistan Trade and Revenue Project
B2B	Business-to-Business
BCP	Border Crossing Point
BMM	Border Management Model
CAR	Central Asian Republics
CAREC	Central Asia Regional Economic Cooperation
CATF	Central Asia Trade Forum
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CHAMP	Commercial Horticulture and Agriculture Program (CHAMP)
CITS	Comprehensive Integrated Tariff System
CLDP	Commercial Law Development Program
CPMM	CAREC Corridor Performance Management and Monitoring
CSO	Central Statistics Office
CVA	Customs Valuation Agreement
DAB	Da Afghanistan Bank
EDI	Electronic Data Interchange
EIF	Economic Integration Forum
ENP	Enquiry and Notification Point
E-Pay	Electronic Payment
EPAA	Export Promotion Agency of Afghanistan
EurAsEC	Eurasian Economic Community
GIROA	Government of the Islamic Republic of Afghanistan
IA	Internal Audit
ICD	Inland Clearance Depot
ITA	Information Technology Agreement
IEC	International Electrotechnical Commission
KIA	Kabul International Airport
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MEP	MacroEconomic Project
MOCI	Ministry of Commerce and Industries

MOIC	Ministry of Information and Culture
MOJ	Ministry of Justice
MOTCA	Ministry of Transportation and Civil Aviation
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
OSCE	Organization for Security and Co-operation in Europe
PATTTA	Pakistan Afghanistan Tajikistan Transit and Trade Agreement
PPQD	Plant Protection and Quarantine Department
PSU	Professional Standards Unit
REC	Regional Economic Cooperation project
SAARC	South Asia Association for Regional Cooperation
SAFTA	South Asian Free Trade Area Agreement
SATIS	SAARC Agreement on Trade in Services
TAFA	Trade Accession and Facilitation for Afghanistan Project
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIR	Transports Internationaux Routiers
TOT	Training of Trainers
TPAU	Trade Policy Analysis Unit
TRACECA	Transport Corridor Europe-Caucasus-Asia
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TRSU	Trade Research and Statistics Unit
USPTO	United States Patent and Trademark Office
VAT	Value Added Tax
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WIS	Welfare Improvement Strategy
WTO	World Trade Organization

A. PROJECT OVERVIEW

Afghanistan has a rich history in trade, a prime position on the Silk Road, and the potential to dramatically increase its exports, including marble and saffron from Herat, lapis lazuli from Badakshan, pomegranates from Kandahar, and cashmere from Balkh. Chemonics, with partner Economic Integration Forum (EIF), implements USAID's Afghanistan Trade and Revenue (ATAR) project to support Afghanistan in realizing its full potential in the global trading market.

ATAR, which began Nov. 7, 2013, and will end Nov. 6, 2017, is based in Kabul and has staff in Mazar-e Sharif, Herat, and Jalalabad to support regional customs activities as well as a presence in Tajikistan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan to strengthen Afghanistan's ties in Central Asia. ATAR also supports the Government of the Islamic Republic of Afghanistan (GIROA) and Afghanistan's traders in improving linkages with India and Pakistan.

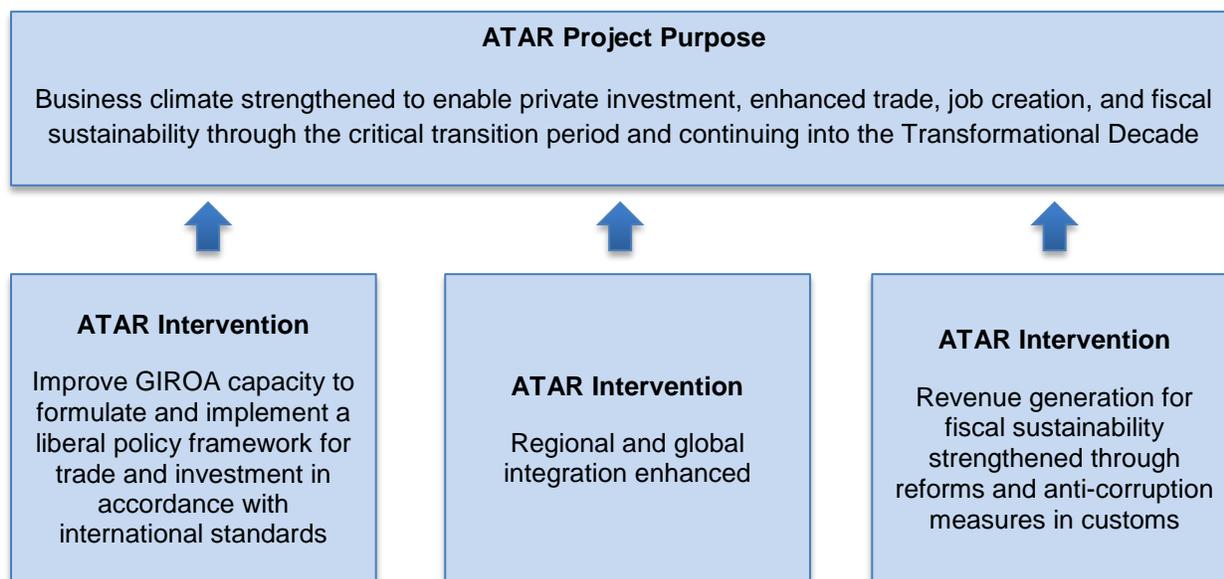
ATAR PROJECT MAP



In order to help Afghanistan fulfill its trading potential, ATAR is assisting GIROA to integrate Afghanistan into the international trading community through membership to the World Trade Organization (WTO), helping the country take advantage of its position on the famed Silk Road, and

revamping its customs procedures to reap the full benefits of regional and international trade. As Afghanistan enters a critical transition period, this improved business climate will pave the way for private investment, enhanced trade, job creation, and fiscal sustainability in the country.

ATAR SCOPE OF WORK¹



ATAR is achieving its goal with its institutional partners through three components:

Component 1: Support Trade Policy Liberalization

Component 1 promotes liberalization of Afghanistan’s trade regime by supporting its accession to the WTO. This support is accomplished by building capacity and providing technical assistance within implementing institutions to conduct negotiations, draft legislation, and institute reforms required to improve the trade regime in the region and meet WTO requirements. The policies, laws, and regulations will attract investment and enable the private sector to grow.

Component 2: Facilitate Enhanced Access to Regional Markets

Under Component 2, ATAR (1) facilitates the development and implementation of regional trade agreements; (2) assists GIROA to support measures needed to implement regional trade agreements; and (3) supports the implementation of the Central Asia Regional Economic Cooperation (CAREC) Corridors 5 and 6 by working with countries such as Uzbekistan, Tajikistan, the Kyrgyz Republic, and Turkmenistan.

¹ ATAR’s scope of work is specified in its prime contract.

Component 3: Improved Customs Administration

Component 3 will enhance GIROA's capacity to generate revenue by improving customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue, performance of core functions, and facilitation of trade.²

² ATAR's Component 3 originally included support to GIROA in implementing value added tax (VAT). At the request of USAID, this activity was on hold throughout much of 2014 and removed in December 2014.

B. EXECUTIVE SUMMARY

ATAR is pleased to present this annual report spanning activities from the award of the project on Nov. 7, 2013, through the project's first contract year ending Nov. 6, 2014.

Upon execution of the prime contract, ATAR's chief of party mobilized immediately and arrived in Kabul on Nov. 12, 2013. Other expatriates worked remotely to develop ATAR's first-year work plan as they waited for their visas to enter the country. ATAR's expatriate and national staff were largely in place by December 2013, engaging immediately in stakeholder consultations and starting implementation of project activities.

Against a backdrop of political challenges and volatile security, ATAR made progress with GIROA and the private sector in improving Afghanistan's trade environment – laying the groundwork for the next three years of the project.

Among the highlights of the project's first year:

Component 1: Support Trade Policy Liberalization

- GIROA, with ATAR's support, completed bilateral market access negotiations on services within 18 months and bilateral market access negotiations on goods in about one year.³ This compares with an average of six years for other countries. Afghanistan's bilateral market access negotiations on goods and services – around 60% of the WTO accession process – are now complete.
- With ATAR support, GIROA is prepared for its fifth, and possibly final, WTO Working Party meeting. The Working Party proceedings, which are 40% of the accession process, are largely complete other than adoption of WTO-related laws.
- GIROA, with ATAR's assistance, drafted new or reformed existing trade laws necessary for WTO accession. ATAR, which is embedded in the Ministry of Commerce and Industries (MOCI) and the Ministry of Justice (MOJ), provided continuous on-the-job training as well as dozens of workshops and working

AFGHANISTAN AND THE WTO

The objective to make Afghanistan a regional trade and transit hub and achieve sustainable economic growth through trade and investment cannot be achieved without broader integration into the world economy through WTO membership.

WTO accession was one of the main themes in the Afghanistan National Development Strategy, which was signed by President Karzai in 2008 and accepted by the World Bank as part of Afghanistan's Poverty Reduction Strategy Paper. In addition, accession by 2014 is one of the conditions of the Tokyo Conference.

More than two-thirds of WTO members are developing or least-developed countries. Many experienced an increase in investments and exports after joining WTO.

³ ATAR continued support that had been provided by USAID's Trade Accession and Facilitation for Afghanistan (TAF) project.

group meetings to build government capacity to implement the laws and to educate the private sector about the laws.

- The MOJ included the majority of the WTO-related draft trade laws on its legislative action plan for the Afghan year 1393⁴ as a result of ATAR's efforts. After these laws are reviewed and approved by MOJ, they proceed to Afghanistan's Council of Ministers, then its Parliament, and finally to the President for approval and entry into force.
- Due to ATAR's collaboration with MOJ, the ministry approved and submitted six laws crucial to WTO accession to the next levels. The plant protection and quarantine law, and the amendments to the patent law, customs law, and copyright law are at the Council of Ministers; the law on indication of production place (formerly the law on geographical indication) advanced to Parliament; amendments to the trademark law have been approved by Parliament and will go to the President. Further, the Minister of Finance signed the procedure on intellectual property border enforcement, and the draft food safety law and the draft animal health law have been submitted to MOJ.
- With reliable data crucial to informed trade policy decisions, ATAR supported implementation of an agreement between the Central Statistics Organization (CSO), Afghanistan Customs Department (ACD), and Export Promotion Agency of Afghanistan (EPAA) to reduce discrepancies in trade statistics. ATAR and a predecessor project (USAID's Trade Accession and Facilitation for Afghanistan (TAFa) project) assisted in reducing discrepancies from around 70% to around 15%-20%.
- With ATAR, the Afghan National Standards Authority (ANSA) laid the foundation for a certification unit that will ensure products meet global standards. ATAR trained ANSA in certification and launched the process for establishing a training and information center at ANSA. With ATAR support, Afghanistan also became a full member of the International Standards Organization (ISO) in July 2014.

WHY CENTRAL AND SOUTH ASIA?

Afghanistan and the four Central Asian Republics (CARs) –Tajikistan, Uzbekistan, the Kyrgyz Republic, and Turkmenistan – are landlocked economies that rely on each other to access markets and open seas.

Afghanistan can improve connectivity among these nations by providing the CARs with the shortest route to seaports on the Arabian Sea; Afghanistan can bridge South Asia (Pakistan and India) with Central Asia and China, and it can facilitate east-west access (Tajikistan-Turkmenistan).

CARs, on the other hand, are critical for Afghanistan to access Europe, China, and the Mediterranean Sea. Similarly, Pakistan is vital for Afghanistan to access India, China, and the Arabian Sea.

Considering that Pakistan and India account for roughly 50 percent of Afghanistan's exports, ATAR began increasing its focus on South Asia toward the end of 2014 and will expand activities in the region in 2015.

⁴ The solar year 1393 corresponds to March 21, 2014, through March 20, 2015, in the Gregorian calendar.

Component 2: Facilitate Enhanced Access to Regional Markets

- With ATAR’s assistance, Afghanistan’s Council of Ministers approved the Cross-Border Transport Agreement-Corridor 5 (CBTA-5) between Afghanistan, the Kyrgyz Republic, and Tajikistan in April 2014. Leading up to the approval, ATAR worked closely with GIROA on the CBTA and educated the government on its benefits. The CBTA aims to facilitate the movement of goods, vehicles, and people between the countries.
- With ATAR support, a new transit and transport initiative via Turkmenistan and Azerbaijan was launched, leading to a decision among the five countries (including Afghanistan, Georgia, and Turkey) to negotiate the “Lapis Lazuli” transport and transit agreement. ATAR, in addition, supported preliminary consultations to extend the Afghanistan-Pakistan Transit Trade Agreement (APTTA) to include Tajikistan. Further, ATAR supported liberalization within the South Asian Free Trade Area (SAFTA) agreement toward reducing sensitive lists.
- ATAR, in cooperation with regional chambers of commerce and the United Nations Development Program (UNDP), led a forum in Dushanbe, Tajikistan, in June 2014 for business representatives from Afghanistan, Kazakhstan, the Kyrgyz Republic, Pakistan, and Tajikistan. More than 100 traders, company officials, and entrepreneurs – including 15 Afghan men and women – participated. The event enabled South and Central Asian businesspeople to develop relationships, discuss deals, identify trade opportunities and constraints, and visit local companies.
- ATAR collaborated with other USAID projects to support Afghan agri-businesses in signing more than \$8 million in deals at Gulfood in Dubai in February 2014. Twenty-one Afghan traders, almost half of whom were businesswomen, participated in the exhibition. ATAR invited seven of the companies and supported the businesspeople in negotiating deals with buyers and leading visits to local markets. ATAR-supported traders signed more than \$1.9 million in deals.

Component 3: Improved Customs Administration

- With ATAR support, the Afghanistan Customs Department (ACD), Da Afghanistan Bank, and commercial banks agreed to launch electronic payment of customs duties. This will allow traders to pay customs duties and related fees electronically at commercial banks, making trade easier by eliminating the need for cash

CUSTOMS: AFGHANISTAN’S MAIN REVENUE SOURCE

Reform and modernization programs or capacity building programs assist a customs administration to make better use of its resources; strengthen its management capabilities; and develop effective and efficient systems, processes, and structures.

This is especially vital in Afghanistan, particularly at a time of declining donor support. Customs revenue comprises about 50 percent of GIROA’s budget. ACD recognizes a portion of that revenue stream is lost to corruption each year and is working with ATAR to implement automated systems, such as electronic payment of duties, to stem the loss. ATAR is also working with ACD to improve the accuracy of its revenue reporting.

and reducing opportunities for corruption.

- ATAR, with ACD and the Afghan Border Police (ABP), completed a review of customs sites in Islam Qala in the west, Aqina in the northwest, Hairatan and Sher Khan Bandar in the north, Torkham in the east, and Kabul International Airport in central Afghanistan to assess compliance with the Border Management Model (BMM), which creates a formal partnership between ACD and ABP.
- ATAR reviewed ACD's risk management and import clearance systems and identified areas for improvement. ATAR provided training to ACD officials in risk management to improve their understanding and implementation of the internationally accepted approach to clearing cargo.

C. COMPONENT 1: TRADE POLICY LIBERALIZATION

1. Support WTO Accession Process

Afghanistan is now in the final stages of WTO accession. The country, with ATAR's support, took a major step toward WTO accession in February 2014 by finalizing bilateral negotiations on market access for goods and services.⁵ Market access refers to the extent to which an imported good or service can compete in Afghanistan with the goods or services made in Afghanistan. Bilateral market access negotiations represent around 60 percent of the WTO accession process and are the most challenging of the process.

BI-LATERAL MARKET ACCESS AGREEMENTS

GIROA, with ATAR support, signed bilateral agreements on market access for goods and services with nine WTO members:

1. United States in January 2014
2. Turkey in February 2014
3. Chinese Taipei in February 2014
4. Korea in February 2014
5. European Union in February 2014
6. Norway in December 2013
7. Thailand in December 2013
8. Canada in July 2013*
9. Japan in July 2013*

*Afghanistan signed these with Tafa support.



Afghanistan's Deputy Minister of Commerce and Industries Mozammil Shinwari signed bilateral protocols with nine countries, including Turkey, Chinese Taipei, the European Union, and Korea (clockwise from top left).

⁵ A country acceding to the WTO enters into bilateral negotiations with individual WTO members; they are bilateral because different countries have different trading interests. The negotiations cover tariffs, specific market access commitments, and other policies in goods and services.

Afghanistan completed its bilateral market access negotiations on services within 18 months (June 2012-January 2013) and its bilateral market access negotiations on goods in approximately one year (December 2012-January 2014). This compares with an average of six years for other countries.

ATAR supported GIROA in favorably addressing the most challenging requests made during December 2013 through January 2014. ATAR also assisted GIROA in consolidating and verifying the country's market access commitments on goods and services as well as fine-tuning its Information Technology Agreement (ITA) schedule – which is its list of information technology products, such as computers, that will be granted zero percent tariffs.⁶ On Feb. 27, 2014, representatives from the nine countries held an informal working group meeting at WTO headquarters in Geneva, confirmed the Schedule on Commitments and Concessions on Goods and the Schedule of Specific Commitments on Services, and agreed to the official circulation of the schedules to other Working Party members. The two schedules are now ready to be incorporated into the accession package, which also consists of the draft Working Party Report and Afghanistan's Protocol of Accession.

Afghanistan's fifth Working Party meeting was scheduled for November 2013 and then for April 2014 with the concurrence of all WTO Working Party members.⁷ The meeting was cancelled both times due in part to the protracted presidential elections and delays in government approval of travel of the Afghan delegation. Considering the country's significant progress in the past few years, Afghanistan's fifth meeting may be its final Working Party meeting before accession provided GIROA demonstrates progress in advancing its WTO legislative action plan by the time of the meeting.

The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government. Despite the delays, ATAR worked closely with GIROA to ensure it was well prepared for its fifth Working Party meeting. In addition to assistance in completion of market access negotiations, ATAR supported MOCI in revising its draft Working Party Report, which details Afghanistan's trade commitments and overall progress toward WTO accession.

AFGHANISTAN'S WTO PROGRESS

Afghanistan is in its final stages of WTO accession.

In early 2014, Afghanistan completed its bilateral market access negotiations, which represent around 60 percent of the WTO accession process.

By the end of 2014, Afghanistan's Working Party proceedings, which represent around 40 percent of the accession process, were 90 percent complete.

Remaining work relates to adoption of WTO-related legislation and resolution of certain policy issues, particularly replacing business receipt tax and fixed tax with value added tax and agreeing with concerned WTO members on local content requirements in the mineral sector.

⁶ The ITA provides for participants to completely eliminate duties on information technology products covered by the agreement. Developing country participants have been granted extended periods for some products.

⁷ When a country is in the process of joining the WTO, the main work begins at the WTO Working Party established to examine the country's accession terms (adherence to WTO rules, legislative reforms, possible transitional periods, etc.). The WTO Working Party meets periodically at WTO headquarters throughout the applicant country's accession process and is open to all WTO members.

By late 2014, Afghanistan’s Working Party proceedings, which are the remaining 40 percent of the accession process, were 90 percent complete other than adoption of WTO-related legislation (see next section) and the resolution of a few policy issues, such as foreign investment rules in Afghanistan’s mining sector and the application of taxes on imports.

In December 2013, ATAR assisted MOCI in preparing a brief for President Karzai summarizing benefits that Afghanistan will gain from WTO membership as well as remaining steps that require intervention from the President. ATAR assisted MOCI in updating this note for President Ghani in October 2014.

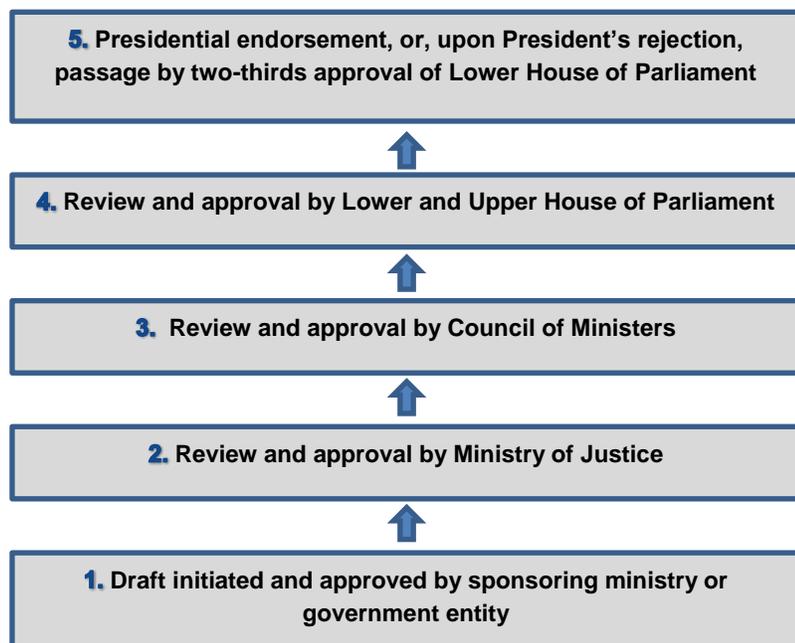
2. Support Legislative Reforms for WTO Conformity

GIROA must reform and amend a wide array of legislation to conform to WTO rules and Afghanistan’s commitments. To this end, Afghanistan drafted or substantially changed more than 26 pieces of legislation during the project year. These diverse laws cover every aspect of a modern, vibrant trading regime – including customs reform, trade facilitation, intellectual property rights, food safety, and standardization. ATAR assisted at every stage of the legislative process from line ministry to Parliament.

ATAR worked with GIROA throughout the year to draft, reform and prepare for implementation of these laws. This lengthy, complex process is presented in simplified form in the below chart.⁸ The law is first drafted at the relevant line ministry – such as the ministries in charge of agriculture or public health. Then the law is submitted to MOJ for detailed review and approval (first at the MOJ legislative working group

level and finally at the MOJ Executive Board). Upon approval by the MOJ, the draft proceeds to the Council of Ministers, onto the Parliament, and finally to the President for promulgation.

AFGHANISTAN’S LEGISLATIVE PROCESS



ATAR assists GIROA throughout the legislative process. At the initial level, ATAR supported line ministries in drafting the laws through multiple meetings with government stakeholders, the private sector, and academia.

ATAR worked closely with line ministries and MOJ to ensure to include the WTO draft legislation on MOJ’s working agenda for the

⁸ This chart is a greatly simplified illustration of the intricate and lengthy process of drafting and passing a law. At certain stages, relevant government bodies and private-sector representatives are invited multiple times to offer input on the draft law, or the draft law is circulated to various committees or departments within the sponsoring ministry or MOJ for review and changes. The draft law may be rejected at any stage and returned to the preceding stage for revisions.

Afghan year 1393. All but four drafts were included by late 2014.

ATAR's ongoing work with MOJ led the acting Minister of Justice to establish working offices for ATAR inside the ministry from January 2014. ATAR supported the work of MOJ by helping to analyze, review, and amend draft laws at each stage of scrutiny by MOJ. The MOJ meetings often included other public or private stakeholders.

For those laws that reached the level of Parliament, ATAR supported MOJ in providing explanations, clarifications, and feedback as necessary. The effort, although led by relevant ministries at each stage, entailed significant capacity building by ATAR through on-the-job training and roundtables sharing the experience of other countries and explaining the impact of these new laws.

ATAR helped MOCI to maintain an updated WTO legislative tracking chart (see Annex A) and maintained English and Dari versions of all drafts as they moved through the legislative process. The following are highlights with respect to advancing WTO-related legislative reforms in 2014:

ATAR held 45 working group meetings, including the public and private sectors, to draft or reform trade-related legislation.

ATAR held 18 roundtables to discuss the legislation and 13 seminars to educate the public and private sectors on these reforms.

1. The draft law on trademarks was approved by MOJ, the Council of Ministers, and the Parliament.
2. The draft law on plant protection and quarantine was approved by MOJ and the Council of Ministers.
3. The draft law on indication of production place was approved by the MOJ and approved by the Council of Ministers and is under review of Parliament.
4. The draft law on customs was approved by MOJ and is at the Council of Ministers.
5. The draft law on patents was approved by MOJ and is under review by the Council of Ministers.
6. The draft law on copyrights was approved by MOJ and is under review of the Council of Ministers.
7. The draft law on animal health and veterinary public health was finalized by the Ministry of Agriculture, Irrigation and Livestock (MAIL) and submitted to MOJ. It is now under review of MOJ.
8. The draft law on foreign trade in goods was finalized by MOCI and is now under review by MOJ; WTO Working Party members also vetted the draft.
9. The procedure on customs control of intellectual property rights (intellectual property border enforcement) was approved by the Minister of Finance in April 2014; this is the final step for a procedure.
10. The revised draft on food safety was reviewed by the working group under the Ministry of Public Health (MOPH) and submitted to MOJ.
11. The draft law on national standards and technical regulations was revised by ANSA and is being reviewed by ATAR for conformity with WTO.

3. Build Sustainable Capacity for the Fulfillment of Key WTO Commitments

ATAR supported GIROA in fulfilling its WTO commitments. In particular, ATAR and GIROA focused on preparing Afghanistan for implementation of the following three WTO agreements: the Trade-Related

Intellectual Property Rights (TRIPS) Agreement, the Sanitary and Phytosanitary (SPS) Measures Agreement, and the Technical Barriers to Trade (TBT) Agreement.

In addition to fulfilling these commitments, ATAR supported GIROA in preparing for proper and effective administration of the safeguards law. Safeguards refer to permissible temporary protective measures that WTO members may exceptionally impose where domestic industries are being damaged by a surge in imports. ATAR further assisted Afghanistan in fulfilling its obligations under the WTO Customs Valuation Agreement (CVA). The CVA aims for a uniform and fair system for the valuation of goods for customs purposes. In practice, these valuation rules are a critical mechanism to ensure fair, predictable, and uniform application of tariffs among WTO members.

3.1 Intellectual Property Rights

The TRIPS Agreement requires WTO member to ensure strong protection of intellectual property rights. By bringing laws on intellectual property up to standards embodied by the WTO and international agreements, Afghanistan protects innovators in Afghanistan from infringements on original copyrights, patents, trademarks, or industrial designs.

In April, ATAR conducted a legal training on intellectual property rights for judges, prosecutors, defense attorneys, and members of the Ministry of Information and Culture's (MOIC) copyright office, including female attorneys. In June 2014, ATAR conducted copyright awareness training in partnership with the MOIC for 45 participants, including professors, academics, and government officials, to support the implementation of intellectual property legislation.

ATAR also supported intellectual property training abroad. The project facilitated and participated in a three-day training sponsored by the U.S. Embassy at the United States Patent and Trademark Office (USPTO) in the United States for 13 Afghan officials and parliamentarians, including four females, in September. In addition, ATAR conducted training on intellectual property rights for 18 Afghan customs students in early November at the Kyrgyz Customs Academy in partnership with the Organization for Security and Co-operation in Europe (OSCE).

To foster awareness of the copyrights law, ATAR assisted in developing informational materials, including pamphlets. In addition, ATAR supported the drafting of an initial memorandum for MOIC to formalize cooperation between copyright enforcement bodies, including customs, police, and prosecutors. ATAR also assisted MOIC in drafting sub-legislation for a copyright board and supported GIROA in launching the preparation of model legislation concerning other intellectual property laws, such as the law on indication of production place, the law on industrial designs, and the law on trade secrets.



In April, ATAR provided training on intellectual property rights for judges, prosecutors, defense attorneys, and MOIC staff.

Afghanistan joined the World Intellectual Property Organization (WIPO), the requirements of which are linked to WTO, in September 2005. For WTO membership, Afghanistan is expected to join certain WIPO-administered conventions.

In 2014, ATAR assisted MOIC in launching the process for securing membership in the Berne Convention, a treaty administered by WIPO for the protection of the rights of authors in literary and artistic works. With ATAR's assistance, MOIC drafted and submitted a letter to the Ministry of Foreign Affairs (MOFA) in November for further submission to WIPO to join the Berne Convention.

3.2 Sanitary and Phytosanitary Measures

The WTO's SPS Measures Agreement sets out the basic rules for food safety and animal and plant health regulations. In its draft Working Party Report for 2014, Afghanistan committed to the adoption of three SPS laws as well as the adoption of regulations and procedures in support of the new laws and training of relevant government officials.

During the year, ATAR began providing support to advance three key SPS laws: the law on food safety, law on animal health and veterinary public health, and law on plant protection and quarantine. In addition, ATAR assisted during the year in launching activities to prepare more than 40 sublegal acts (regulations and procedures) for implementing those laws.



ATAR provided training in animal health to MAIL in October in support of the law on animal health and veterinary public health.

ATAR helped MOPH and MAIL to establish appropriate working groups and build their capacity to advance these legislative reforms and ensure understanding of guidelines of the WTO's three sister SPS organizations: the Codex Alimentarius Commission for food safety and quality, the World Organisation for Animal Health (OIE) for animal health, and the International Plant Protection Convention (IPPC) for plant health.

Animal Health

During the year, ATAR worked with MAIL's Animal Health Directorate to develop 16 pieces of model legislation for consideration by the working group in support of the law on animal health and veterinary public health. ATAR held numerous seminars and roundtables to

assist stakeholders in understanding the WTO SPS agreement and OIE guidelines and standards.

ATAR guided the working group in preparing draft implementing procedures based on the models. The procedures covers topics such as the functions of veterinary inspectors, handling of articles subject to veterinary control, and sanitary measures for the import and transit of animals.

Food Safety

During the year, ATAR supported the establishment of working groups under MOPH to develop 15 sublegal acts (regulations/procedures) covering key aspects of the law on food safety, including food additives, color additives, traceability, and exchange of information between countries on rejections of imported foods. ATAR delivered 25 roundtables and training seminars for public and private stakeholders to improve understanding of these concepts and share experience of other countries.

Phytosanitary

ATAR focused on supporting the development of key regulations or procedures for implementation of the law on plant quarantine and protection. ATAR analyzed the draft regulations prepared by MAIL's Plant Protection and Quarantine Department and provided comments and suggested legal recommendations to bring these regulations in line with IPPC requirements.



ATAR participated in a sanitary and phytosanitary coordination workshop in February designed to coordinate stakeholder activities.

In addition, ATAR assisted in the development of 16 procedures, covering topics such as application for license of imports of plants for consumption or processing and the creation of post-entry quarantine sites, taking into account IPPC. ATAR held numerous roundtables and seminars for members of the working group, established with the help of ATAR.

3.3 Technical Barriers to Trade

In its draft Working Party Report, Afghanistan committed to fully comply with the WTO TBT Agreement prior to accession. This includes setting up a fully operational “enquiry and notification point” and establishing a mechanism for confirming the equivalency of foreign technical regulations and results of conformity assessment procedures.

In 2014, ATAR supported ANSA in development of a draft procedure for coordination and cooperation between ANSA and other government entities to enable the country to notify WTO members of changes

in measures related to technical barriers to trade and to respond to enquiries from WTO members on Afghan standards, technical regulations, and conformity assessment procedures.

During 2014, ATAR began assisting ANSA in the development of an appropriate equivalence mechanism. This included drawing upon the experiences of other countries in implementing equivalence mechanisms. Equivalence is an important WTO TBT concept; it is designed to simplify trade by having WTO members accept, where feasible, the technical regulations and conformity assessment procedures of other trading partners, thus reducing duplication and red tape. ATAR will assist ANSA in conducting a needs assessment to allocate necessary resources to establish the unit in 2015.

3.4 Safeguards Unit at MOCI

While the WTO offers tremendous opportunities in terms of market access, WTO rules still allow countries to protect their market in exceptional cases. The safeguards law allows Afghanistan to impose temporary protection of its market where a sudden surge of imports of a particular product is causing serious injury to a domestic industry (or imminent threat of such injury). Afghanistan has no experience in administering safeguards and no institutions in place to conduct safeguards investigations and prepare and handle safeguards cases. The WTO requires that safeguards cases must be conducted in strict conformity with rules laid down in the WTO Safeguards Agreement.

During the year, ATAR provided a strategy paper on the establishment of a safeguards unit within MOCI to administer the safeguards law once adopted. The unit will be in charge of applying the rights and limits of the WTO Safeguards Agreement. The paper details administrative and office needs, structure, staff, and job and qualification descriptions for each position.

3.5 Afghan Customs Department

The CVA is one of the WTO's most complex agreements. The agreement provides an internationally agreed and consistent method for valuing goods for the purposes of applying custom tariffs. Correct application of these valuation methods is critical. Incorrect valuation of goods leads to incorrect tariff fees being applied. This in turn renders trading costs unpredictable and undermines the practical value of mutually negotiated tariff rates.

In support of Afghanistan's efforts toward fulfilling this agreement, ATAR developed a manual on customs valuation for training trainers, provided the manual to the Afghanistan National Customs Academy (ANCA), and delivered 22 sessions on customs valuation training to eight ACD and ANCA officials who have the capacity to train others. ATAR also assisted in the process of migrating ACD's customs valuation database to the Automated System for Customs Data (ASYCUDA) World.

4. Build Capacity and Technical/Financial Sustainability of ANSA

A lack of technical capacity and laboratory facilities capable of testing and certifying Afghan products in accordance with international standards prevents Afghanistan from expanding into regional markets, particularly CAR and India. Modernizing and building standards and certification capacity is crucial for



An ANSA employee worked at one of its laboratories.

increasing export opportunities and for Afghanistan's development. In support of this effort, ATAR works closely with ANSA, which is the key player in developing and implementing standards, to ensure quality goods are exported from and imported into Afghanistan.

4.1 Certification Unit

During the year, ATAR assisted ANSA in launching the process for establishing a sustainable certification unit in compliance with international guidelines. ATAR assisted in the development of a road map for establishing the certification unit and the development of procedures, standard guidelines, and certification schemes. The initial focus of the unit will be on certification of food products, which is expected to occur in first half of 2015.

ATAR assisted ANSA in translation of relevant ISO manuals and guides for conformity assessment and in developing conformity assessment documentation based on ISO. ATAR also supported ANSA in developing fee procedures and structures for the unit and in developing a conformity assessment mark. ATAR, in addition,

provided training to ANSA staff on conformity assessment and certification and provided ANSA with recommendations to train auditors and lead auditors. Lastly, ATAR assisted in launching the process of accreditation of the certification unit by reviewing and finalizing a memorandum of understanding (MOU) between ANSA and a Turkish accreditation agency.

4.2 ANSA Training and Information Center

In 2014, ATAR supported ANSA in launching the process of establishing a sustainable standards training and information center with the role of building capacity and awareness of ministries, state bodies, and the private sector about standardization and certification.

ATAR assisted ANSA in developing a syllabus and training material and revising existing training material for the planned center. Topics included the code of good practice for development, preparation, and adoption of standards; quality infrastructure for standardization and conformity assessment; conformity assessment principles; product certification; management system certification; food management system certification and procedures; and requirements and procedures for testing laboratories. In addition, ATAR delivered five seminars to build the capacity of potential trainers and facilitated participation in a training program in India for two ANSA staff who can serve as trainers in Afghanistan. ATAR also supported ANSA in its acquisition of 31 international standards.

4.3 ISO Membership and National ISO Mirror Committees

With the support of ATAR and TAFSA, ANSA became a full-fledged member of ISO in July 2014. As a new ISO member, Afghanistan gained access to standards agreed upon by ISO member countries, which represent 90 percent of the world's gross national income. Afghanistan can vote in ISO technical and policy meetings and can sell and adopt ISO standards in Afghanistan. ISO standards are recognized worldwide and are so vital to facilitating global trade that the WTO uses them to set rules among its members.

During the first year, ATAR also assisted ANSA in establishing the five ISO "mirror" committees that will develop national sector-specific standards based on ISO principles. ATAR also is assisting in developing a financial sustainability plan to allow ANSA to become a self-sustainable entity.

5. Assist in Building Capacity and Technical Sustainability of WTO Unit

Post-accession is equally, if not more, challenging than accession itself. This is particularly true for a least developed country such as Afghanistan. During October, ATAR began developing new terms of reference for MOCI's WTO Unit to assist in moving from preparing for WTO accession to handling post-accession matters. Among its duties, the WTO Unit will monitor and advise Afghanistan on implementation of its WTO commitments, assist in communications and notifications to the WTO, and monitor WTO compliance of other WTO members and assert Afghanistan's rights where needed.

ANSA MIRROR COMMITTEES

ATAR assisted ANSA in establishing five mirror committees:

1. ISO/Technical Committee 28 - Petroleum products and lubricants
2. ISO/Technical Committee 34 - Food products
3. ISO/Technical Committee 38 - Textiles
4. ISO/Technical Committee 58 - Gas cylinders
5. ISO/Technical Committee 71 - Concrete, reinforced concrete and pre-stressed concrete

The terms of reference will include defining functions of the WTO Unit, staff job descriptions, and qualification requirements. ATAR also launched the process of developing a staff retention and technical sustainability plan for the WTO Unit, including professional development training plans for the staff.

6. Assist in Building Analytical Capacity

6.1 Trade Policy Analysis Unit

MOCI's Trade Policy Analysis Unit (TPAU) aims to deepen and broaden Afghanistan's regional integration as well as support formulation of sound trade policy through analysis of trade data, such as imports and exports. In late 2013, MOCI increased the staff of the TPAU from three to 12 people, including three women. Throughout the year, ATAR focused on strengthening the analytical capacity of the TPAU to undertake advanced analytical work for simulating the impact and implication of trade policy reforms and informing policy and negotiations.

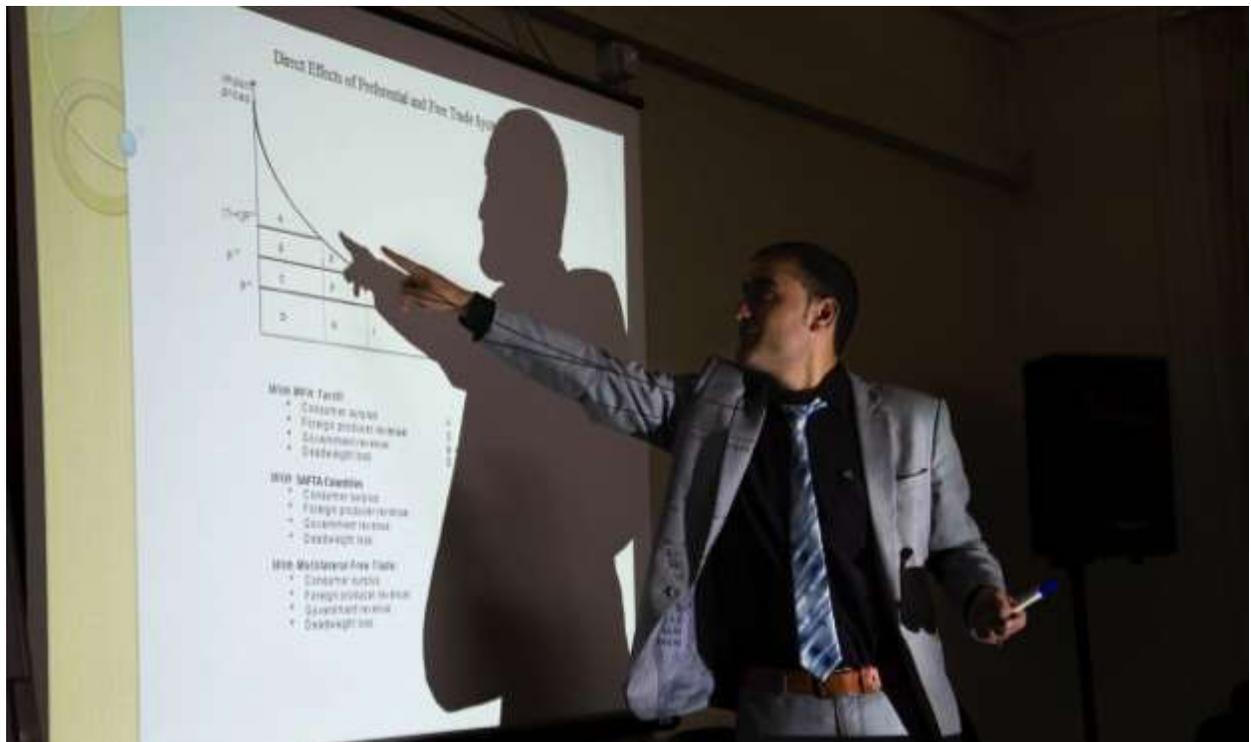
During the past year, ATAR built the capacity of the TPAU through about 30 interactive lectures on economic theory, application of economic policies related to trade, and the impact of sound policies on economic development. At the end of each lecture, case studies were examined as practical application of economic policy.

In addition, ATAR provided continuous on-the-job training and guided TPAU staff in constructing a partial equilibrium model to explore trade liberalization scenarios and in studying impact on trade including imports/exports, trade diversion, balance of payments, and fiscal revenue such as customs duties and other direct and indirect taxes.

Moreover, ATAR provided formal and on-the-job training to the TPAU and other departments within MOCI in charge of bilateral and regional trade agreements on analyzing sensitive products with the aim of reduction the SAFTA agreement sensitive list. (See Component 2: Afghanistan for further information.)

ATAR further guided and provided technical support to MOCI and ACD in the preparation of quarterly reviews on external trade, revenue, and trade policy and in the preparation of the Annual Trade Policy Review/Trade Policy Bulletin for the period of 2009-2013.

ATAR assisted the TPAU in involving students from academia from four local universities – Kabul University, Kardan University, Bakhter University and Dunya University – in the work of the TPAU as well as the Regional Strategic Study Center, a think tank, in the TPAU's work. Jointly with the TPAU, ATAR held more than ten seminars targeting the four universities with participation of select professors and students on trade policy analysis and held a half dozen seminars for the Regional Strategic Study Center on the trade policy review.



In partnership with ATAR, an employee of the Ministry of Commerce and Industries delivered a presentation on Afghanistan's trade policy and trade data to professors and students in September.

6.2 Central Statistics Office

In an effort to provide Afghanistan with reliable trade-related data for policy formulation and the private sector with reliable statistics for making sound business decisions, ATAR supported ACD and CSO to harmonize trade-related data between the two organizations. With guidance and support from ATAR, ACD and CSO signed in March 2014 an MOU that will promote cooperation in the area of import and export statistics for Afghanistan.

According to the MOU, CSO will get information on import/export statistics from ACD on a monthly basis within two weeks after the end of each month and process this information in accordance with the CSO reporting structure. ATAR provided two computers and one scanner to CSO to handle ACD data and provided training to CSO on ACD's data structure.

ATAR conducted roundtables involving CSO and ACD to assist in identifying reasons for discrepancies including: (i) country of origin versus country of departure; (ii) dutiable versus non-dutiable imports, such imports by the International Security Assistance Force, diplomatic missions, and international organizations; and (iii) manual versus ASYCUDA data. Discrepancies in trade statistics during year one were reduced from around 30% to around 15%.

ATAR also assisted ACD through on-the-job training in the identification of the top 200 revenue-generating products, including products with seasonal effects on revenue to be included in the customs valuation database, and in studying revenue gaps for four products (sugar, cooking oil, apples, and cement). In addition, ATAR, with the participation of a CSO representative, delivered six seminars to the MAIL statistics team on the introduction of statistics methods.

7. Assist in Building Nationwide WTO Awareness

In partnership with MOCI, ATAR delivered two WTO awareness seminar targeting MOJ and another targeting other USAID projects. ATAR developed a plan for a series of awareness seminars to be finalized with MOCI targeting MOJ, MAIL, MOPH, MOIC, Ministry of Finance, MOFA, ACD, ANSA, EPAA, universities and the private sector in key provinces of Afghanistan. The objective is to familiarize stakeholders with WTO agreements, principles, and rules; Afghanistan's status of accession and commitments; and the benefits and implications of WTO membership for Afghanistan's economic development and integration into the global trading system.



Ministry of Justice officials discussed legislation required for WTO accession at a seminar organized by ATAR in February.

D. COMPONENT 2: FACILITATE ENHANCED ACCESS TO REGIONAL MARKETS

1. Afghanistan

1.1 Cross Border Transport Agreement

Tajikistan and the Kyrgyz Republic signed the Cross-Border Transport Agreement-Corridor 5 (CBTA) in December 2010 under the framework of the CAREC program. Tajikistan and the Kyrgyz Republic welcomed Afghanistan to the CBTA at a meeting in Bangkok, Thailand, in August 2011.

Afghanistan signed the accession protocol to join the CBTA at the 10th CAREC ministerial conference held in Baku, Azerbaijan, in November 2011. However, there were some discrepancies and grammatical issues in the English and Russian versions of CBTA. The three countries agreed to fix the discrepancies and re-sign the accession protocol with the previous dates.

Throughout the first half of 2014, ATAR facilitated the re-approval by GIROA, including the Ministry of Transport and Civil Aviation (MOTCA), the Ministry of Foreign Affairs (MOFA), and the Council of

WHAT IS CBTA?

The CBTA between Afghanistan, the Kyrgyz Republic, and Tajikistan helps link East Asia with the Middle East and South Asia through Corridor 5. Corridor 5 connects East Asia to the Arabian Sea through Central Asia. The corridor is one of the six transport corridors that traverse the CAREC region. CAREC brings together Afghanistan, Azerbaijan, China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan and promotes regional projects.

MAP OF CAREC CBTA-5



Ministers, and the re-signing of Afghanistan's protocol of accession by President Karzai in April 2014. ATAR developed briefs for MOTCA and MOFA to outline the benefits of the agreement. While the Kyrgyz Republic and Tajikistan may move forward with the ratification of Afghanistan's protocol of accession, border disputes and tension between the Kyrgyz Republic and Tajikistan have delayed ratification.

CBTA's main aim is to ease the movement of people, goods, and vehicles across borders. Vehicles and goods will be able to cross borders faster due to streamlined customs inspections and reduced requirements to transfer shipments between vehicles.

1.2 South Asia Free Trade Agreement

SAFTA is a regional free trade agreement between Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. These countries form the South Asian Association for Regional Cooperation (SAARC). The South Asian nations are among Afghanistan's most critical trading partners; Pakistan and India alone account for more than 50 percent of Afghanistan's exports. The agreement provides Afghan producers with greater and more consistent access to SAFTA markets and consumers with greater access to affordable, imported products. Afghanistan is also a member of the SAARC Agreement on Trade in Services (SATIS).

Throughout 2014, ATAR assisted MOCI in analyzing sensitive lists of Afghanistan and other SAFTA countries and developing proposals for the reduction of goods from the sensitive lists, which are lists of products that are of special interest to member countries and are exempted from low SAFTA tariffs.

ATAR also assisted MOCI in preparing to discuss key issues and completing relevant documents and reports ahead of the SAARC and SAFTA meetings held in New Delhi, India, in January, in Kathmandu, Nepal, in February 2014, and in Thimphu, Bhutan, on July 2014.

ATAR supported MOCI in preparing a report on notification of non-tariff measures and para-tariff measures by Afghanistan as per the format of the SAARC Secretariat. In addition, ATAR assisted in conducting a legal survey on

REGIONAL TRADE FACILITATION AGREEMENTS

ATAR assisted GIROA in improving regional trade by:

- Promoting the signing of the Mutual Assistance Agreement (MAA) on cooperation in Customs Matters between Afghanistan and Tajikistan (signed March 2014)
- Promoting the signing of the MOU between Afghanistan and Tajikistan on the Exchange of Information, the Harmonization of Documentation and other Matters associated with the Effective Control of Cross-Border Trade (both parties agreed to sign at the earliest meeting occasion)
- Supporting MOCI in preparing a model trade and transit agreement with Azerbaijan
- Supporting MOCI in preparing a model trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan
- Assisting in upgrading the draft trade and transit agreement with Uzbekistan
- Preparing a draft MAA between Afghanistan and Uzbekistan
- Preparing a draft MAA between Afghanistan and Turkmenistan
- Developing the Electronic Data Interchange (EDI) node and installing in test environment at ACD and the Kyrgyz and Tajik customs

services and cataloguing licensing requirements for the purpose of supporting implementation of the SATIS agreement.

1.3 Afghanistan Pakistan Transit Trade Agreement

The Afghan and Pakistani governments signed APTTA in October 2010, and the Afghan government ratified the agreement in January 2011. APTTA replaced an outdated 1965 transit agreement and updated and improved the joint transit system.

MAP OF APTTA ROUTES



ATAR supported MOCI in tracking and promoting progress in implementing decisions made during the fifth Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) meeting on October 2013, including APTTA notification, elimination of the 110% ACD customs security, and elimination of the \$100/\$200 transit permit fee charged by MOCI. ATAR supported MOCI in preparing for the fifth APTTCA meeting on Jan. 1-2, 2015, including facilitating consultations with private sector and preparing a draft agenda.

MOCI worked with ATAR to develop a proposal to extend APTTA to Tajikistan, making it the Pakistan Afghanistan Tajikistan Transit and Trade Agreement (PATTTA). These

were used as basis of discussions with Tajikistan in April-May 2014 toward facilitating accession of Tajikistan and agreeing on main points prior to launching of official negotiations.

1.4 Transports Internationaux Routiers Convention

TIR is a customs transit system that simplifies the movement of cargo across at least one international border. The principles and guidelines for implementing TIR are described in the TIR Convention 1975. In September 2013, TIR was reactivated in Afghanistan after three decades of suspension.

ATAR supported GIROA in helping Afghan exporters and transport operators in utilizing the TIR system, such as improving understanding of the convention and helping the private and public sectors become familiar with the use of a TIR Carnet, which is a customs transit document used to prove the existence of the international guarantee for duties and taxes for goods transported under the TIR system.

During the latter half of 2014, ATAR conducted TIR training to support TIR implementation. ATAR held a two-day TIR Train-the-Trainers Workshop at ANCA for 20 customs officers in September and a two-day TIR Awareness and Training seminar at the Association of Afghanistan Freight Forwarders Companies (AAFFCO) for 30 transport operators in September; and, in partnership with MOCI, began planning for a seminar on TIR for trade facilitation in November for government officials, freight forwarders, transporters and exporters.

ATAR also evaluated ACD's workflow and information systems to determine its integration and compliance with TIR, because customs plays an important role in verifying TIR documents. ATAR participated in the TIR workshops organized by the International Road Transport Union and Pakistan National Committee for International Chamber of Commerce (PNC-ICC) in Karachi, Lahore, and Islamabad in August and spoke about TIR and trade facilitation for Central and South Asia regions. ATAR established a working relationship with PNC-ICC and developed a TIR accession and implementation roadmap for Pakistan.

1.5 WTO Trade Facilitation Agreement

ATAR supported Afghanistan in completing a conformity assessment with the WTO Trade Facilitation Agreement (TFA). ATAR conducted a two-day workshop on the WTO TFA at MOCI in June for more than 50 government officials, brokers, and trade representatives to seek their input and feedback regarding the level of current legal conformity and state of practice with respect to the provisions of the WTO TFA.

The WTO TFA, signed during the Bali Ministerial Conference in December 2013, is a major positive development as it brings together a number of improved WCO Revised Kyoto Convention provisions, a number of improved provisions in existing WTO agreements, and new provisions. This new agreement presents a new framework for promoting

PARTNERSHIP WITH EPAA

In order to strengthen EPAA and its ability to serve Afghanistan exporters, ATAR:

- Supported EPAA in February 2014 in attending a cluster meeting in Italy for preparation of participation in Expo Milano 2015.
- Provided support in February-May 2014 to EPAA in the participation of an Afghan delegation in Domotex Shanghai and World Food in Azerbaijan.
- Provided support in June 2014 to EPAA in the preparation and implementation of a business-to-business meeting agenda in India.
- Facilitated the participation of EPAA and the private sector in the World Food Exhibition in Almaty, Kazakhstan, in November 2014.
- Facilitated, in coordination with USAID's Regional Economic Cooperation (REC) project, the participation of EPAA and private sector in the Central Asia Trade Forum (CATF) in Almaty, Kazakhstan, in October 2014.

regional reforms to facilitate trade, reduce corruption, improve transparency and private sector participation, and strengthen transit rights.

1.6 Electronic Data Interchange

ATAR assisted in developing and installing in a test environment the Afghan node for a regional Electronic Data Interchange (EDI) system with Tajikistan and Kyrgyzstan; customs-to-customs electronic data interchange will increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations, and sharing of trade and transit information. ATAR developed a user and administrative manual and provided related training to ACD.

1.7 Trade and Business Promotion

Throughout 2014, ATAR worked with EPAA, an executive agency of MOCI, to build the agency's capacity to serve Afghan exporters and help them expand their markets. ATAR assisted EPAA in developing its export promotion plan for 2014, guiding actions in Central Asia, South Asia, the European Union, and the United States.

ATAR also conducted eight training sessions on market research for exports for 16 EPAA and MOCI staff and traders and 12 training sessions on supply chain management for exports, with the participation of 13 EPAA and MOCI staff and traders. In addition, ATAR assisted EPAA in completing cost-competitive analyses for three Afghan products: almonds, raisins, and figs. ATAR provided support to the development of EPAA website and assisted in developing branding material for seven Afghan products

In addition to working with EPAA to provide on-the-job and formal training, ATAR coordinated with USAID trade-related projects to support Afghan traders and help them access new markets.

In May, in coordination with USAID's Commercial Horticulture and Agricultural Program (CHAMP), ATAR held meetings to identify problems faced by Afghan fruit traders on both sides of Wagah, the border crossing between Pakistan and India. Stakeholders pointed to a number of issues, including truckers lacking proper visas to transport goods from country to country, a dearth of parking and shade for trucks, no priority for trucks carrying perishable goods, delays due to a single customs shift, inadequate scanning facilities for 40-foot containers, and delays in transit codes being sent by Pakistan customs from the entry port to Pakistan customs at the exit port in Wagah.

ATAR supported Afghanistan's participation Central Asian Business Opportunities Conference (CABOC), which was organized by USAID's Pakistan Trade Project (PTP) in April 14-16, 2014. ATAR held roundtables prior to CABOC in which businesses were asked to identify their main trade obstacles. As well, ATAR encouraged Afghan businesses and government to actively participate in the event, supporting logistical, security, and technical preparations.

ATAR also worked with USAID's CHAMP and USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project to support Afghanistan's participation in the Gulfood Exhibition in Dubai in February. Twenty-one Afghan traders, almost half of whom were Afghan

businesswomen, displayed pomegranates, juice, apples, saffron, dried fruit, and nuts at Gulfood on Feb. 23-27. Gulfood is the world's biggest annual food exhibition with 4,500 exhibitors and tens of thousands of buyers and visitors.

Importers from Saudi Arabia, the United Arab Emirates, Spain, Malaysia, China, Turkey, India, Bahrain and the United States signed more than \$8 million dollars' worth of contracts for Afghan figs, pine nuts, dried apricots, walnuts, almonds, juices, and saffron. The USAID projects rented and designed Afghanistan's pavilion, developed promotional materials and supported the traders in deal negotiations.



ATAR met with Afghan fruit and vegetable traders in February to discuss their trade challenges.



ATAR worked with other USAID projects to support Afghanistan's participation in Gulfood in Dubai in February.

In cooperation with FLAGG International, ATAR facilitated the participation of five Afghan marble producers in the Turkmen Construction Exhibition in Ashgabat in August. During the exhibition, Afghan construction companies discussed business opportunities with international construction companies and businesses and international construction companies from France, Turkey, and China working in Turkmenistan. Although no deals were finalized, the companies expressed interest in Afghanistan's marble. The Turkmen-based companies said that Afghanistan's marble is cheaper than that of Greece and Turkey and is of comparable or better quality.

2. The Kyrgyz Republic⁹

2.1 Cross-Border Transport Agreement

ATAR followed up on a regular basis regarding launching the ratification of Afghanistan's protocol of accession to CBTA with the Kyrgyz Republic's Ministry of Transport, Ministry of Foreign Affairs, and Advisor to the Prime Minister. After significant research, ATAR discovered the Kyrgyz Ministry of Foreign Affairs had not received the original version signed by all three countries. ATAR assisted in tracking the location of the signed protocol, which was misplaced and forgotten at the Kyrgyz Embassy in Kabul. The Kyrgyz Embassy forwarded the signed protocol of accession the Kyrgyz Ministry of Foreign Affairs late October 2014. ATAR confirmed receipt by the Kyrgyz Ministry of Foreign Affairs and started dialogue with the Ministry of Transport and other stakeholders to promote the ratification of the protocol of accession of Afghanistan to CBTA.

2.2 Customs Risk Management and Post Clearance

A modern customs administration should intervene in transactions only by exception, where the transaction presents an unacceptable risk or threat of non-compliance with customs rules. This requires the establishment of robust information collation that supports a risk-selectivity system that is effectively applied and supported by a post-clearance customs audit program. Under such systems, resources of customs and other border agencies should focus on trade transactions that pose the greatest risk, and allow all other trade transactions to be cleared with minimal or no controls.

The WCO Revised Kyoto Convention (RKC) and the WTO TFA require the institution of risk management and post clearance audit practices as well as facilitation measures for authorized operators. In addition, the CBTA between Afghanistan, the Kyrgyz Republic, and Tajikistan requires the adoption of risk management techniques. The Kyrgyz Republic has the preliminary elements of automated selectivity for front-end risk management, but lacks depth of capacity in information collection, intelligence, and customs audit.

In an effort to further the implementation of the WTO TFA and the CBTA, ATAR provided the following support with regard to risk management and post clearance audit:

- Proposed a database structure for use by Kyrgyz customs in support of risk management and assisted Kyrgyz customs in populating to develop risk profiles.
- Developed a methodology and guidelines for risk profiling based on best practices.
- Assisting Kyrgyz customs through on-the-job training in developing three risk profiles based on a new methodology.
- Reviewed the current legal framework governing risk management for assessing conformity with relevant RKC standards and recommendations.
- Delivered two roundtables for Kyrgyz customs on risk management.
- Provided an audit process manual.

⁹ See section 6 "Cross-Cutting Regional Activities" for more information.

- Developed a proposal for a risk-based approach to selecting clients and scheduling post-clearance audits.
- Developed a conceptual design for Kyrgyz customs for an information technology system to coordinate with law enforcement in support of risk management.

2.3 WTO Trade Facilitation Agreement

ATAR supported the Kyrgyz Republic in conducting a conformity assessment with the WTO TFA and enabling understanding of the agreement.

In April 7-8, ATAR gave a presentation on the provisions of the WTO TFA and its implementation requirements for the Kyrgyz Republic's Ministry of Economy, State Customs Service, Chamber of Commerce and Industries, customs brokers, and transport operators. The Kyrgyz Republic's deputy minister of economy opened the workshop. In addition to the workshop, ATAR conducted interviews with officials from relevant agencies and private-sector representatives to collect information on the current situation. ATAR used this information to draft the TFA assessment in the second half of April.

On June 16-18, ATAR conducted a workshop in Bishkek, Kyrgyz Republic, with the WTO Secretariat to present the project's draft assessment on the Kyrgyz Republic's conformity with the WTO TFA. Forty-four participants from the public and private sector reviewed the TFA and discussed the state of compliance of the legislative framework and practices in Kyrgyz Republic. ATAR is finalizing the assessment with input and feedback from workshop participants.

The Kyrgyz Republic notified the WTO Secretariat on Category A – provisions the member will implement by the time the agreement enters into force (or in the case of a least-developed country member within one year after entry into force) – in accordance with the ATAR findings.

2.4 Electronic Data Interchange

ATAR assisted in developing and installing in a test environment the Kyrgyz node for a regional customs-to-customs EDI system with Tajikistan and Afghanistan. The node is ready to be linked once the Kyrgyz Republic and Tajikistan agree to the exchange of data, a decision pending resolution of current political tension between both countries. The EDI will increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations and sharing of trade and transit information.

2.5 Comprehensive Integrated Tariff System

ATAR assisted in the development of the Comprehensive Integrated Tariff System (CITS), which would ensure greater transparency and easy access to information regarding import and export trade regulations. ATAR verified data in CITS with relevant Kyrgyz agencies to ensure updated and comprehensive content. ATAR presented the CITS to ACD and the Single Window Team under the Ministry of Economy. ATAR learned an outside information technology firm developed a similar system for Kyrgyz customs. Since the Kyrgyz system coverage of tariff and non-tariff barriers is not comprehensive and has limited search capability, ATAR will continue to work with Kyrgyz customs on either expanding its system or adopting the CITS developed by ATAR.

2.6 Trade and Business Promotion

In an effort to promote regional trade, ATAR identified trade opportunities between the Kyrgyz Republic and Afghanistan, India, and Pakistan. ATAR also conducted a three-day course on export development in May for producers, suppliers, and trade representatives in the Kyrgyz Republic. Fifty people participated, including representatives from the Kyrgyz Chamber of Commerce and Industries, GIZ, trade associations, and producers. One Afghan trader in the process of opening an office in Bishkek attended.

3. Tajikistan¹⁰

3.1 Pakistan-Afghanistan-Tajikistan Transit Trade Agreement

ATAR facilitated the process for Tajikistan joining APTTA, which would be renamed PATTTA. In cooperation with Tajik's Ministry of Economic Development and Trade (MEDT) and the Tajikistan Chamber of Commerce and Industry, ATAR held roundtable in February to help the private sector understand APTTA/PATTTA. ATAR translated the combined Afghan and Tajik counter-proposal to the proposed trilateral PATTTA into the Russian language and provided the document to MEDT in April.



In partnership with the Tajikistan Chamber of Commerce and Industry, ATAR held a presentation on APTTA for Tajikistan's private sector in February.

¹⁰ See section 6 "Cross-Cutting Regional Activities" for more information.

In addition, ATAR provided guidance, technical support, and clarifications to MEDT officials and the Tajikistan Ambassador to Pakistan prior to their bilateral informal meetings on PATTTA with Afghanistan and Pakistan. Due to this effort, the bilateral meetings between Afghanistan and Pakistan in spring 2014 on coordinating the PATTTA negotiation were successful.

3.2 Customs-Related Agreements/MOUs

In order to increase bilateral cooperation, information sharing, and harmonization of documents between Afghanistan and Tajikistan, ATAR promoted the signing of the Mutual Assistance Agreement on Cooperation in Customs Matters between Afghanistan and Tajikistan; this was signed March 2014, and Tajikistan ratified the MAA in August 2014.

ATAR also promoted the signing of the MOU between Afghanistan and Tajikistan on the Exchange of Information, the Harmonization of Documentation and other Matters associated with the Effective Control of Cross-Border Trade; both parties agreed to sign at the earliest occasion.

3.3 Customs Risk Management and Post Clearance

Like the Kyrgyz Republic, Tajikistan has the preliminary elements of automated selectivity for front-end risk management, but lacks depth of capacity in information collection, intelligence, and customs audit. In an effort to align with the WTO TFA, RKC, and CBTA, ATAR provided the following support with regard to risk management and post clearance audit:

- Proposed a database structure for use by Tajik customs in support of risk management. Tajik customs launched the process for populating the database, which will be used as a basis for developing risk profiles.
- Developed a methodology and guidelines for risk profiling based on best practices.
- Developed a proposal for a risk-based approach to selection of clients and scheduling of post-clearance audits.
- Developed a proposal for information security.

3.4 WTO Trade Facilitation Agreement

ATAR completed a conformity assessment with the WTO TFA for Tajikistan. Showing a high level of interest in the outcome of the assessment, Tajik customs requested a copy in Russian. ATAR discussed with MEDT the need to lead a public-private dialogue, including Tajik customs, to verify findings and finalize the assessment.

3.5 Electronic Data Interchange

ATAR assisted in developing and installing in a test environment the Tajik node for a regional EDI system with the Kyrgyz Republic and Afghanistan; this will introduce a customs-to-customs electronic data interchange to increase cross-border cooperation, reduce corruption, and enable pre-arrival declarations and sharing of trade and transit information. ATAR developed manuals for the database

administrators and the operational users and provided training to the Tajik customs information technology unit.

3.6 Comprehensive Integrated Tariff System

ATAR assisted in the development of CITS, which would ensure greater transparency and easy access to information regarding import and export trade regulations. ATAR presented CITS to both the Tajik customs database administrators and the Tajik State Unitary Enterprise (SUE) Single Window database administrators. ATAR installed the CITS program in a test environment and provided on-the-job training to the SUE Single Window staff. ATAR also developed manuals for database administrators and users.

3.7 Trade Documents/Procedures and Single Window

ATAR prepared an analysis of the harmonization of the trade documents required for border crossing. The study found the six trade documents are harmonized in accordance with national legislation and international conventions, but a problem exists in accessing these documents on-line; this will be resolved with the introduction of the single window system in 2015.

ATAR provided support to advance the single window effort, which is led by the European Union and GIZ. ATAR reviewed a test application of the single window program and offered feedback on legal and procedural issues.

Further, ATAR, in conjunction with GIZ, provided support to the one stop concept for border crossing by proposing an action plan for implementation. ATAR visited Tajikistan's border crossing point with Afghanistan at Nizhny Panj and evaluated the one stop concept in practice. ATAR also supported improvement of the one stop principles by preparing an analyses of all agency border clearance procedures and discussing the need for a national strategy, action plan, and inter-agency working group to support coordinated border management.

3.8 Veterinary Service Support

To facilitate the introduction of sound veterinary risk analysis and cooperation between the Afghan and Tajik veterinary services, ATAR provided the Tajik State Veterinary Inspection Service with the following support:

- Developed an “Agreement between the Government of the Republic of Tajikistan and the Government of the Islamic Republic of Afghanistan on Cooperation and Mutual Assistance in Veterinary Science Matters” in three languages: English, Tajik and Dari.
- Developed a “risk analysis framework” and presentation for integration of risk management principles.
- Supported roundtables with GIZ on the implementation of risk management principles and sharing of risk data with other border agencies.

3.9 Trade and Business Promotion

Trade and Business Promotion

In an effort to promote regional trade, ATAR identified trade opportunities between Tajikistan and Afghanistan, India, and Pakistan. In partnership with the UNDP Aid for Trade project and the Sugd Regional Chamber of Commerce and Industry in Tajikistan, ATAR delivered a three-day seminar in May to develop the capacity of Tajik exporters. The seminar covered marketing skills needed to benefit from regional opportunities and public-private dialogue to address regional trade. There were also sessions on trade policies, adhering to international standards, and marketing in Afghanistan and Pakistan. About 28 exporters participated in the event.



ATAR held a three-day seminar to develop the capacity of exporters in Tajikistan in May.

ATAR worked with regional chambers and UNDP to organize a business-to-business (B2B) event in Dushanbe on June 23-24, including businesspersons from Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, and Tajikistan. More than 100 traders, company officials, and entrepreneurs – including 15 Afghan men and women – participated. The event enabled South and Central Asian businesspeople to develop relationships, discuss deals, identify trade opportunities and constraints, and visit local companies. Participants also discussed a platform for cooperation among chambers in the region to share trade information and help resolve trade and transit problems. The MOCI Commercial Attaché was instrumental in bringing 10 Afghan traders based in Tajikistan to the event.

4. Turkmenistan

ATAR supported USAID in Ashgabat in presenting the project to the Turkmen government. As of this date, there was no approval to fully engage.

The main priority of the Turkmen government in 2014 was to develop export capacity. In line with that goal, ATAR developed an outline for a three-day series of seminars on export development. ATAR developed training materials and translated them into Russian; the seminars are pending approval of the Turkmen government.

Given the interest of Turkmenistan in considering application for WTO membership and the positive impact of such efforts on regional trade, ATAR completed a detailed assessment of the Turkmen Customs Code with relevant WTO agreements and RKC; ATAR is translating the analysis to Russian for transmission by USAID/Ashgabat to the Ministry of Foreign Affairs. ATAR also launched a conformity assessment of Turkmen legislation with the WTO TFA.

In support of promoting regional trade, ATAR identified trade opportunities between Turkmenistan and Afghanistan, India, and Pakistan. ATAR also facilitated engagement of Turkmen businesses with Afghan marble producers and exporters during the Turkmen Construction Exhibition in August. In addition, ATAR facilitated, in coordination with REC, the participation of the Turkmen private sector in CATF in Almaty, Kazakhstan in October.

5. Uzbekistan¹¹

ATAR supported USAID in presenting the project to the Uzbek government. As of this date, there was no approval to fully engage.

In support of promoting regional trade, ATAR identified trade opportunities between Uzbekistan and Afghanistan, India, and Pakistan. ATAR also facilitated, in coordination with REC, the participation of the Uzbek private sector in CATF in Almaty, Kazakhstan in October.

In November, ATAR launched a diagnostic of problems at Termez-Hairatan with the aim of developing recommendations for addressing them and began identification of top 10 non-tariff barriers to trade with the aim of developing appropriate recommendations for phase-out and elimination.

6. Cross-Cutting Regional Activities

In all of its events, ATAR sought to include stakeholders from Afghanistan, the CARs, and South Asia whenever possible to enable them to build business relationships, explore trade opportunities, and find solutions to trade and transit problems. In just one examples, the business-to-business event in Dushanbe in June 2012 brought regional stakeholders together to identify regional trade opportunities and challenges.

¹¹ See section 6 “Cross-Cutting Regional Activities” for more information.

In the Dushanbe event, ATAR facilitated policy dialogue session and discussions among the regional chambers. As a result of those discussions, ATAR assisted in the development of an MOU for a framework for cooperation among the chambers of commerce of Afghanistan, Tajikistan, Pakistan, and the Kyrgyz Republic; the chambers are reviewing the MOU, and ATAR is following up with the chambers. ATAR also consulted with the TCCI for its participation and adoption in a proposal for joint business council with their Kyrgyz and Afghan counterparts.



An Afghan businesswoman (right) examined the handmade jewelry of a Tajik trader in Dushanbe. She was one of 15 members of Afghanistan's business community at the Dushanbe business event in June.

ATAR also supported regional trade events as a project by offering input as needed and gaining feedback from regional stakeholders. ATAR participated in the US-CAR TIFA customs working group meeting held in Bishkek in September with customs officials from Afghanistan, Kazakhstan, Kyrgyz Republic, and Tajikistan. In addition, ATAR made significant contributions to the trade policy conference “Expanding Central and South Asia’s Regional Trade” in July in Astana, Kazakhstan, and organized by USAID’s MacroEconomic Project (MEP). ATAR delivered five lectures and moderated two sessions.

In support of promoting regional trade, ATAR completed WTO TFA conformity assessments for Afghanistan, Kyrgyz Republic, and Tajikistan. ATAR launched the assessment for Turkmenistan and will soon launch the assessment for Uzbekistan. ATAR will prepare a comparative summary once assessments are completed for Turkmenistan and Uzbekistan.

In an effort to promote risk management and customs-to-customs cooperation as called for in the WTO TFA, ATAR prepared a regional model MOU on cooperation on risk management for consideration and discussion between Afghanistan, Tajikistan, and Kyrgyzstan.

ATAR also embarked on special studies to promote regional economic cooperation. ATAR:

- Launched a study to explore opportunities and challenges, based on economic analysis, for intra- and inter-regional trade in the Central and South Asia by analyzing trade competitiveness and complementarities and the comparative advantages of the region's economies. This study covers Afghanistan, India, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. This is expected to be completed in February 2015.
- Completed report on identification on CAR, Afghanistan, India, and Pakistan products of interest to traders in the region.
- Completed a preliminary draft of a regional study on fortified wheat flour in Afghanistan, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, and Uzbekistan. The draft contains a comparative table along with recommendations for harmonization and adherence to best practices. Data from Uzbekistan Ministry of Health has not been received. The report has been shared with regional USAID officials and Global Alliance for Improved Nutrition (GAIN).
- Prepared terms of reference for launching in November a study on potential impact of extending APTTA and in February 2015 a route mapping study for routes linking Uzbekistan to India and open seas.

E. COMPONENT 3: IMPROVED CUSTOMS ADMINISTRATION

1. Improved Tax Administration

While customs duties make up nearly half of GIROA's government revenue collection, VAT levied by customs on imported goods could generate even more revenue. Afghanistan's Lower House approved the country's VAT law in spring 2014, and the Upper House of Parliament approved the country's VAT law in autumn 2014.

ATAR fielded an expatriate VAT specialist in December 2013 to prepare for implementation of VAT by GIROA. The VAT specialist began working with the Afghanistan Revenue Department (ARD) and ACD to plan for VAT activities for the project's first year. In the first half of 2014, ATAR temporarily removed VAT activities from its work plan pending further direction from USAID. In December 2014, ATAR received instruction from USAID to permanently remove VAT activities from the project's plans.

2. Improved Customs Administration

2.1 Support Regional Integration

ATAR ensured dialogue with colleagues based within the CAR states in an effort to facilitate a standardized approach to the application of risk management processes and procedures in a regional context. This included the sharing of relevant information, which documented how risk management is being implemented and operated within Afghanistan. The objective is to ensure that all regional countries operate harmonized risk management operating procedures, which will facilitate cross-border traffic. See Component 2 for further information on regional integration between Afghanistan and the CARs.

2.2 Institutionalize the Border Management Model

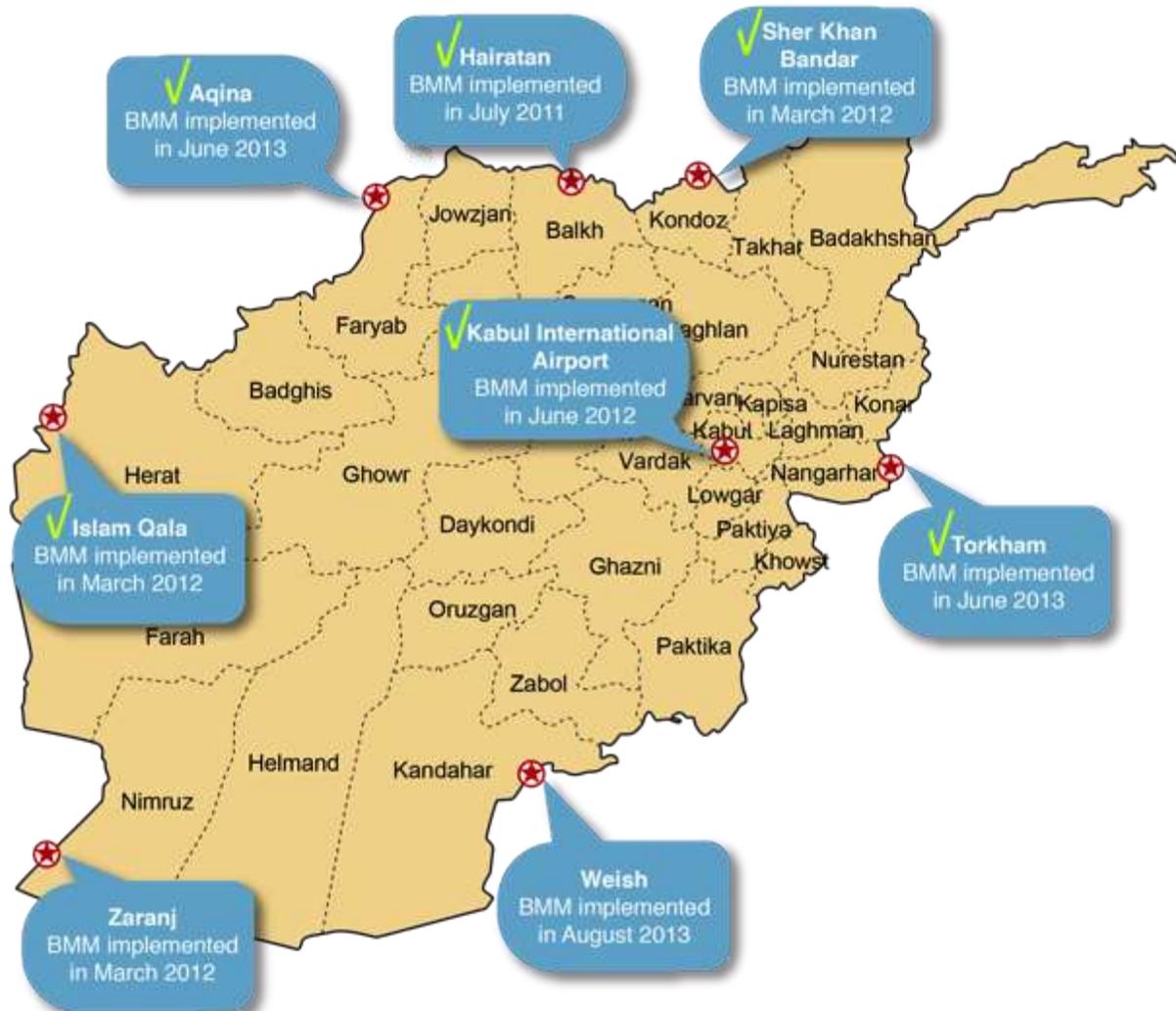
Afghanistan faces the challenge of increasing trade with neighboring countries while preventing illicit activities such as smuggling. Afghanistan's Border Management Model (BMM) establishes clear roles and responsibilities for ACD, which is responsible for cross-border trade, and the Afghan Border Police (ABP), which is charged with immigration and national security at the borders. The model encourages information sharing between the two entities to stem corruption, smuggling, and other illegal activities. The aim of the model is also to reduce interaction with other agencies operating at the border, thereby speeding trade across the border.

In July 2011, the BMM was implemented on a pilot basis at the Hairatan Border Crossing Point (BCP) in Balkh province. Following this successful initial implementation, between 2012 and 2013, ACD implemented the BMM at the following additional locations: Kabul International Airport (KIA), Sher Khan Bandar in Kunduz province, Islam Qala in Herat province, Zaranj in Nimruz province, Torkham in Nangarhar province, Weish in Kandahar province, and Aquina in Faryab province.

Between July 2014 and September 2014, ATAR, in cooperation with ACD and ABP, undertook an assessment of six of the sites to ensure those locations were still compliant with the BMM. ATAR had

originally planned to undertake assessments at eight locations, but the project canceled trips to Zaranj and Spin Boldak due to ongoing security issues.

Border Management Model Sites Reviewed in 2014



To ensure a standardized approach to gauging compliance, ATAR developed a template so that assessors identified all relevant aspects of the BMM. Working with ACD and ABP, ATAR traveled to each province and visited each BCP so they could visually inspect processes and speak with key staff such as regional directors, BCP managers, ABP commissars, and other officials.

All of the six locations inspected were found to be fully compliant with the provisions of the BMM. Furthermore, the principles of the BMM appeared to have been embraced by both ACD and ABP at all of the locations inspected. Both parties said the implementation of BMM standard operating procedures had resulted in a close working relationship.

Although there appeared to be no breaches of compliance with the BMM, ATAR, in conjunction with its partners from ACD and ABP, recommended that ACD introduce a formal monitoring program. This compliance assessment, which would ideally be undertaken on a quarterly basis, would form part of overall ACD management checks and would ensure any future non-compliance is identified and reported to the headquarters.

2.3 Strengthen the Customs Code and Customs Policies

ATAR worked with ACD's Legislation Department throughout 2014 to review a number of policies to ensure they were compliant with relevant laws and international best practices. Where possible, ATAR streamlined the processes contained within each policy to minimize barriers to legitimate trade.

These policies included: export procedures; customs exemption duty regulation; bulk customs duties exemption forms; customs advance ruling procedure (on-going); transit of goods that are exempted from customs duties; storage fee procedure (on-going); processing exemption forms; exemption check list; and temporary importation procedure.

2.4 Implement Risk Management Systems

Over the past decade, Afghanistan has seen a rise in imports and exports. In the past, ACD policy required that all imports and exports be subjected to a physical examination; this caused delays in clearing goods and was an inefficient use of staff resources.

In 2012, ACD developed and implemented a revised interdiction strategy based upon the principles of risk management. Risk management is an internationally accepted approach to using limited resources to identify and tackle consignments that have been assessed to pose a risk. Such risks include revenue loss through undervaluation, misclassification, or smuggling and interdiction of prohibited goods such as narcotics or pre-cursor chemicals. On the other hand, under risk management, traders and brokers with a documented history of compliance with ACD's laws and requirements face minimal to no intervention.

With donor support, ACD implemented risk management at most of the major Inland Clearance Depots (ICDs), including Kabul (including KIA freight terminal), Jalalabad, Mazar-e Sharif, Herat, Kandahar, and Kunduz. Under the approach, ASYCUDA channels potentially high-risk cargo to a red lane for a physical exam and moderate-risk cargo through a yellow lane for a documentary check. Remaining cargo is regarded as low risk and goes through the green lane for immediate release. The system also randomly selects cargo for a physical exam as an added measure to manage risk.

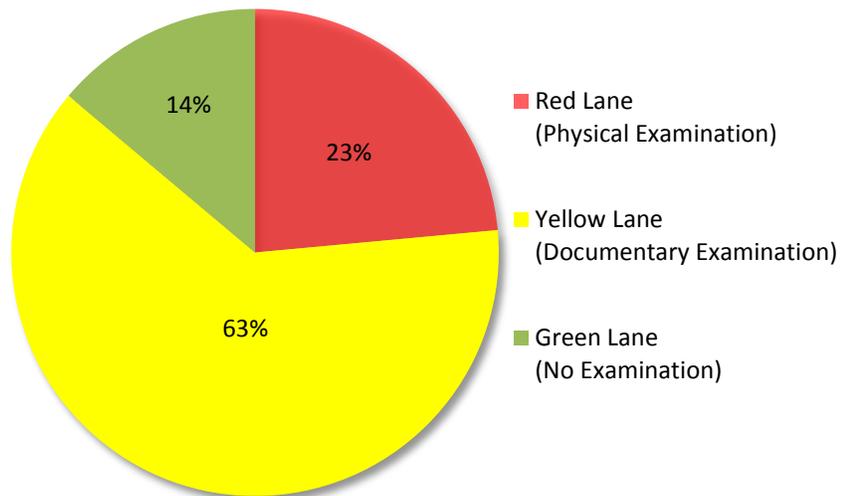
With the exception of Kandahar and Kunduz, ATAR monitored risk management throughout 2014. While many of the basic principles were being followed at a working level, this monitoring identified that the system requires further improvement – particularly with regard to the configuration and use of ASYCUDA. ATAR's discussions with ACD staff and visual inspections of the system identified a failure to use certain important modules, including the Inspection Act, which is used for recording results of examinations; Examiners Notes, used for advising an officer why a consignment was flagged for

inspection, and Random Selectivity, used for identifying and selecting a random percentage of consignments for inspection.

Due to issues in receiving relevant ASYCUDA data from the ACD, ATAR was not able to confirm exactly which areas of ASYCUDA required modification or revised use. During its assessments, ATAR further determined that ACD used tariff code-specific risk profiles. These profiles, which select consignments based purely upon the type of commodities, do not support trade facilitation. Though a useful and legitimate profiling technique, when used in isolation this “catch all” approach does not differentiate between compliant and non-compliant importers. ATAR worked with ACD’s risk management unit to develop profiles that take into account infraction and historical data based on broker, importer, and origin.

In addition, the amount of consignments selected for examination in Afghanistan is considered high in relation to international best practice, as shown below in the chart on examination rates in Balkh. However, approximately 30% of those goods selected for examination were found to be non-compliant. This suggests a high level of non-compliance within the trading community, so it is difficult to justify reducing these high examination levels at this time.

Examination Rates in Balkh Province



2.5 Implement Electronic Payment of Customs Debt

Currently, ACD duties and taxes are paid in cash. These duties and taxes account for around \$1 billion a year in revenue for GIROA. In practice, a trader or customs broker arranges for the cash to be paid into a branch of Da Afghanistan Bank (DAB), Afghanistan’s central bank, at the location processing the declaration.

An interim process to enable traders to pay their duties electronically was devised and approved by both ACD and DAB in 2013, but implementation was stalled due to ACD's concerns over the potential for corruption by its staff. These concerns revolved mainly around who would take responsibility for acquitting the electronic funds payment within ASYCUDA.

In partnership with senior ACD and DAB officials, ATAR reviewed electronic payment, or E-Pay, to identify opportunities for improvement. As a result of the introduction of ASYCUDA World, a web-based version of the existing processing system, a revised fully automated payment procedure was developed. Although technically feasible and accepted by both parties in principle, implementation of this option was postponed due to existing configuration limitations, which prevented ACD and DAB systems from interacting electronically. Implementation of this option has been delayed while upgrades are made to the DAB processing system, part of which will allow interactivity between DAB and ACD and facilitate full automation of the procedure.

ATAR worked with the ACD and DAB to identify and agree upon an interim, partly automated solution that addressed ACD's concerns over potential corruption. This interim solution will function upon existing infrastructure and require no further software upgrades or configuration changes to DAB or ACD electronic processing systems.

In preparation for implementation of this revised solution, ACD delivered training for DAB staff to acquit ACD payments manually at DAB headquarters in November. Furthermore, in the latter half of 2014, DAB and ACD agreed that the DAB will continue to accept responsibility for acquitting ACD payments – but at the headquarters level as opposed to regionally. This revised procedure will facilitate traders being able to pay for clearance of their consignment anywhere in Afghanistan regardless of where the goods are processed. The estimated time from payment at commercial bank to acquittal within ASYCUDA World by DAB staff at headquarters will be 10 minutes.

E-Pay will only work at locations where there is already full, automated integration between DAB headquarters and DAB regional branches. Full automation is present in Herat, Kunduz, Kandahar, Mazar-e Sharif, Kabul, Gardez, and Jalalabad. These locations account for the vast majority of ACD payments.

All necessary internal procedures that support the manual acquittal of payments centrally by DAB staff within ASYCUDA World have been developed, including training to all commercial banks in how to handle ACD-related payments. ATAR also assisted the ACD and DAB in drafting outreach materials to publicize E-Pay to the trading community. Actual implementation of the interim E-Pay solution did not materialize because ACD will not provide DAB staff based at headquarters with the necessary access passwords for ASYCUDA World.

Meanwhile, as part of efforts to move towards a fully automated E-Pay solution, DAB selected a vendor to undertake changes to the DAB banking systems. This company has successfully undertaken similar integration projects in 32 other countries. DAB expects integration between DAB systems and the relevant ministries to be in place within 12 months. The role of the vendor is to configure the DAB systems with the necessary gateways for ministries to link their own systems.

2.6 Increase Gender Representation at ACD

Women comprise roughly 4% of ACD staff. ATAR began recruiting for an internship program in late 2014 to place young university graduates at ACD for six months to prepare them for a possible career at ACD or to give the foundation for a job in the trade sector. While ATAR focused on recruiting mainly females for the internship program, the vast majority of qualifying resumes were from males. The internship program will begin in December 2014.

In an effort to reduce the gender gap at ACD, ATAR worked with ACD to prepare training to increase understanding of gender equality. ATAR and ACD will deliver the training to ACD staff. Prior to gender awareness training, ATAR will meet with female employees of ACD to identify specific challenges they face.

2.7 Reduce Corruption at ACD

Corruption is pervasive at ACD. Although the trading community has a part to play, such corruption could not be successfully perpetrated without collusion (at some level) with ACD officials. In line with its 5 Year Strategic Plan, ACD is committed to tackling corruption at all management levels.

In 2014, ATAR worked with the ACD Director General to identify an appropriate strategy for tackling staff misconduct. This will include the development and implementation of two new functions: Internal Audit (IA) and Professional Standards Unit (PSU). Though based at headquarters, these units will have national remits and report directly to the Director General. These control mechanisms will strike a balance between strategies that encourage high levels of staff integrity, and activities designed to proactively identify and investigate misconduct, including corruption.

The PSU will be primarily responsible for identifying and investigating alleged cases of unethical or illegal activities perpetrated, wholly or in part, by ACD staff. This will be achieved through the collection and analysis of information, including interviews with government officials or members of the public, in support of proving or disproving the involvement of a staff member. Furthermore, the PSU will develop, implement, and maintain written policies and procedures that support activities, including protecting the confidentiality and integrity of any information received from government or public sources.

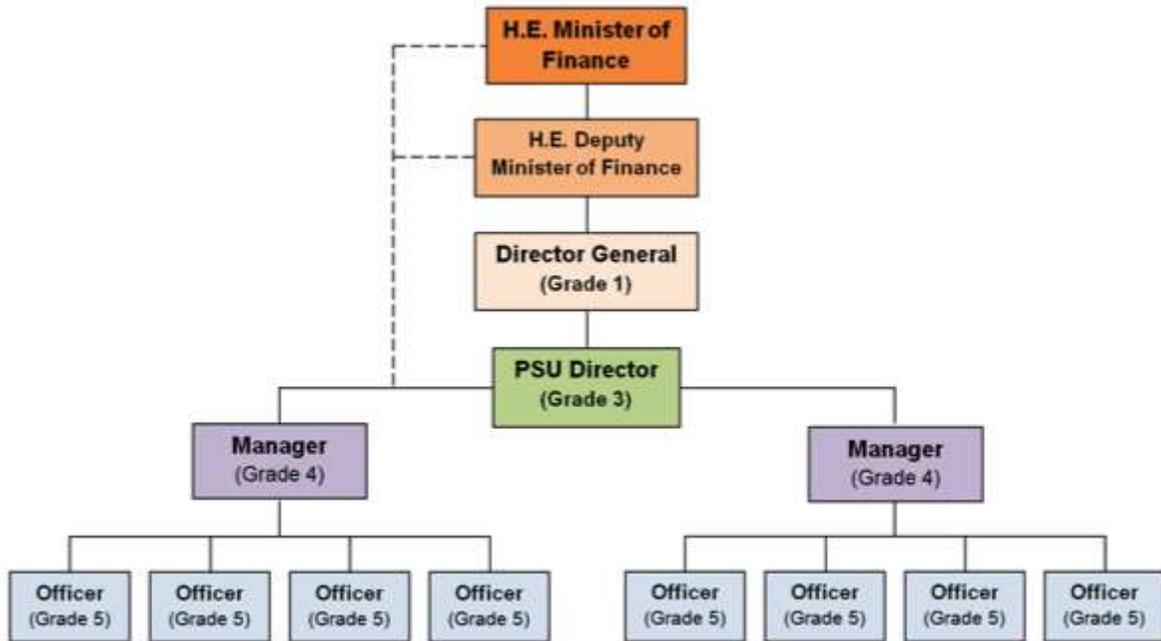
"A key element of any effective integrity programme is the development, issue and acceptance of a comprehensive code of conduct which sets out in very practical and unambiguous terms the behaviour expected of all Customs personnel. Penalties for non-compliance should be articulated in the code, calibrated to correspond to the seriousness of the violation and supported by appropriate administrative and legislative provisions."

- WCO Revised Arusha Declaration (2003) - Code of Conduct

In 2014, ATAR assisted ACD in drafting a comprehensive policy document that dealt with the creation and implementation of a PSU. This policy included a comprehensive code of conduct that sets out, in

practical terms, the behavior expected of all staff. The document includes all necessary processes, procedures, and reporting templates to allow the PSU to identify, investigate, and tackle misconduct and see any case through to conclusion, including misconduct proceedings, outcomes and the appeals process.

PROFESSIONAL STANDARDS UNIT STRUCTURE



ATAR also assisted ACD in preliminary work to identify the necessary processes and procedures for the implementation of an Internal Audit unit. This unit will be primarily responsible for assessing compliance with all existing strategic, operational, and tactical processes and procedures undertaken by the ACD at both headquarters and regional level.

As well as identifying unnecessary burdens to trade or procedural inefficiencies, the IA will be responsible for identifying any systematic abuse of existing systems in efforts by ACD staff and /or the trading community to circumvent appropriate controls. Where necessary, the IA will draft revised operating procedures to ensure opportunities for illicit activities are minimized. In the event that any illegal or unethical staff behavior is suspected, the IA will refer the case to the PSU in a timely, confidential, and professional manner. If any illegal activity is thought to have been perpetrated by the trading community or by customs brokers, the IA unit will refer to the case to the ACD Enforcement Department for further investigation.

2.8 Implement Taxpayer Outreach Programs

ATAR’s taxpayer outreach activities were largely on hold pending direction from USAID on VAT activities. However, in support of the future implementation of E-Pay for customs duties, ATAR developed a poster to educate traders about the process of paying customs duties through commercial

banks. In addition, ATAR developed a radio advertisement intended to introduce the concept of e-pay to traders in Afghanistan. ATAR also supported ACD in the development of a video, which is pending ACD's final approval, outlining the process and benefits of the risk management process for upload to ACD's website and possible airing on government-sponsored television channels.

E-PAY POSTER



2.9 Support Streamlined Customs Procedures

ACD drafted and implemented a blueprint on import clearance in 2011 to reduce the number of importation steps to 13, thereby implementing unified procedures at all ICDs. During the gap between TAFSA and ATAR, some regions introduced redundant steps that deviated from the blueprint, increasing costs, delaying clearance, and increasing opportunities for corruption.

Throughout 2014, ATAR staff in Kabul, Mazar-e Sharif, Herat, and Jalalabad worked with regional ACD staff to identify and record compliance with the blueprint. While ATAR had some success in helping to remove a number of redundant or additional steps at Mazar-e Sharif and Jalalabad, progress was slow due to a lack of traction with regional directors. In August 2014, ATAR drafted a report that outlined the performance of each ICD against the blueprint. This report, which included recommendations for change

was well received by the ACD Director General who advised he would take the matter forward with the regional directors.

2.10 Support the Afghan National Customs Academy

ANCA comprises classrooms, computer labs, an auditorium and a space for practical trainings, such as vehicle examinations. If fully occupied, these spaces will allow ANCA to train more than 400 students per day. ANCA has four student dormitories, including one female dormitory, that can house up to 112 students. Up until Sept. 15, 2014, the Border Management Task Force (BMTF) provided financial support for the operation and maintenance of ANCA.



Almost 60 customs officers graduated from ANCA in August. Dr. Ken Yamashita, Director of Program Coordination of the U.S. Embassy, helped distribute certificates to ANCA's 20th graduating class.

In the months leading up to the drawdown of this funding, ATAR supported the facility in preparing a financial sustainability plan to facilitate ANCA in its transition from a donor-led facility to an Afghan-led training facility by 2016. ACD used the content of this plan to reach out to individual donors requesting short-term financial assistance.

ATAR also deployed a national training development specialist to ANCA to provide technical support on the development of training curriculum. ANCA provided an office for the ATAR specialist, who coordinated with ACD to collect information on ANCA trainings and develop a training need assessment.

The assessment covered most of the customs officials in Kabul, Mazar-e Sharif, Herat, and Jalalabad, and the information was compiled in a database for the review of ANCA management.

Taking the results of the training needs assessment into consideration, ANCA management started working to develop an “Advanced Customs Training” package that will cover a number of the customs-related topics or subjects requested in the assessment by the participants. ANCA will also work to develop some customized training packages that will target specific customs staff.

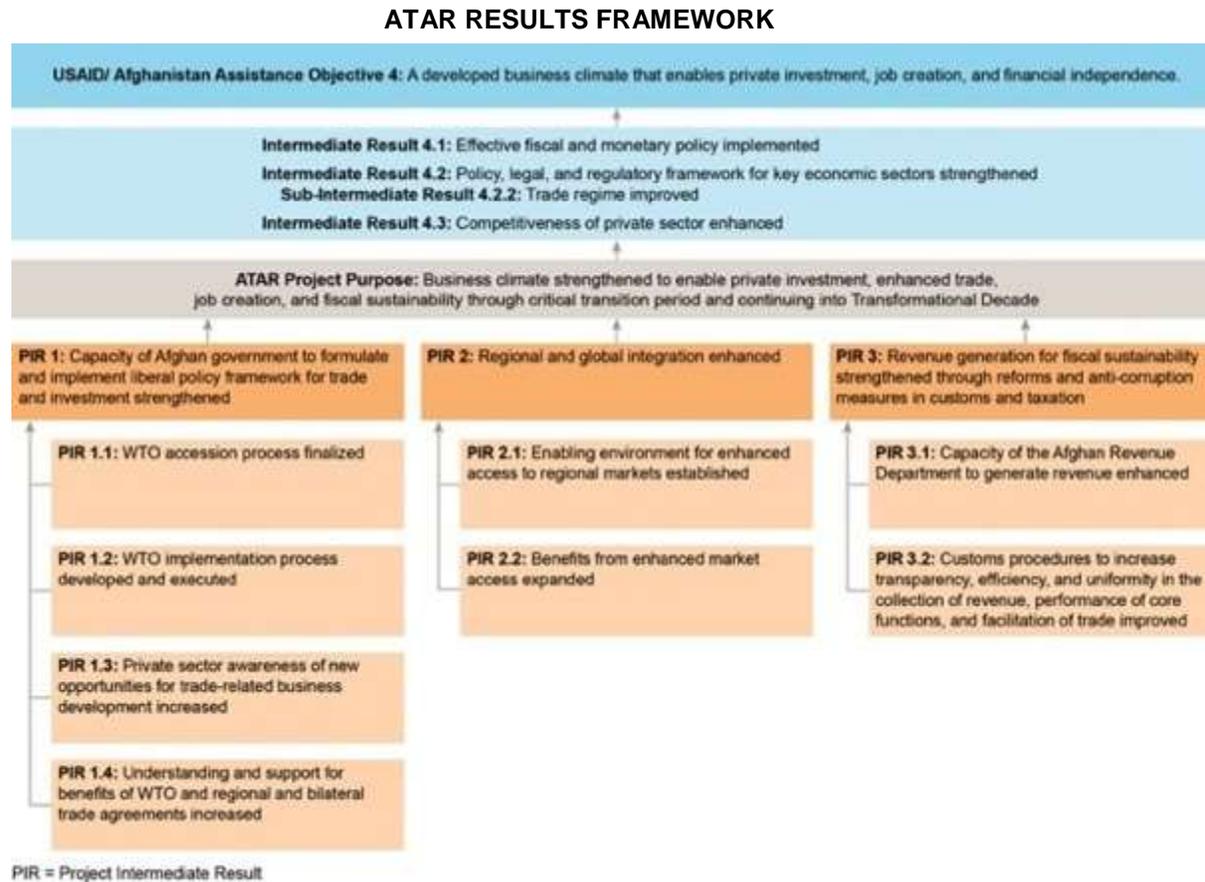
ATAR completed a review of basic training materials for customs officers and assisted ANCA in preparing new, improved training materials. This included the development of five enforcement-related training modules in a variety of areas, including risk management, automated targeting, risk profiling, intelligence and the use of pocket notebooks.

ATAR reviewed the complete package of the basic training course that was developed by BMTF. ATAR reviewed all 31 chapters of the training and brought necessary updates into most of the English presentations to correspond with the Dari presentations.

In addition, ATAR developed a database to house information on all of ACD’s training and capacity building efforts. ATAR deliver training and handed over the database to ANCA management in June.

F. INDICATOR PERFORMANCE

ATAR supported USAID’s Mission Assistance Objective 4, “A developed business climate that enables private investment, job creation, and financial independence.” At the lowest level of USAID reporting, ATAR activities and results supported intermediate result 4.1, “Effective fiscal and monetary policy implemented,” intermediate result 4.2, “Policy, legal, and regulatory framework for key economic sectors strengthened,” specifically, sub-intermediate result 4.2.2, “Trade regime improved,” and intermediate result 4.3, “Competitiveness of private sector enhanced.”¹²



¹² ATAR began aligning its results framework with USAID’s new Mission Result Framework in November 2014. ATAR’s new results framework will be in place for 2015.

ATAR monitored progress based on project indicators applicable to each component as well as cross-cutting issues. The project had 36 indicators in place in its first year, 15 were “tracking only”¹³ while the project was responsible for the remaining 21. By the end of the first contract year, ATAR surpassed the annual targets of 13 of its project indicators, fell short of six, matched one, and scheduled activities for one of the 21 project indicators at a later date.

The results against the indicators are detailed in the following table. Details on the results and the project’s performance are offered in the notes column. Indicators that were surpassed are highlighted in green, those that were missed are highlighted in orange, and those matched or scheduled for a later date in yellow, while “tracking only” indicators are not highlighted:

	Project indicator targets surpassed
	Project indicator targets missed
	Project indicator targets matched or activities planned for later date
	Tracking only indicators (not highlighted)

¹³ Indicators used for tracking purposes only show at a higher level whether efforts in the sector by many contributors are producing results. Changes in these indicators cannot be attributed to the efforts of one donor only and can be caused by factors outside the control of any one donor.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
Project Purpose: Business climate strengthened to enable private investment, enhanced trade, job creation, and fiscal sustainability through the critical transition period and continuing into the Transformational Decade										
1	Growth in trade volume (import, exports, transit) overall/per border crossing	Outcome/ Impact Required by Prime Contract	Country, per border crossing; commodity group; month, quarter; percent; and actual amount	GIROA	Annual	\$9.3 billion in 1391 excluding transit (CSO report)	\$3.2 billion in first six months of 1393 (ACD)	Tracking only	Tracking only	Trade volume is defined as the licit trade value of goods and services brought into Afghanistan (import), the value of Afghanistan goods and services sold in the foreign country or countries (export) and value of goods imported to Afghanistan from a country and exported to another country (transit). Total volume of trade in six months of 1393 was \$3.2 billion based on ACD data, including imports (\$3 billion) and exports (\$276 million).
2	Value of gross domestic product (GDP)	Outcome/ Impact USAID requested indicator	By sector	CSO, World Bank Report	Annual	\$21 billion in 1391 (CSO)	\$21.2 billion in 1392 (CSO)	Tracking only	Tracking only	Value of GDP represents the total value of all goods and services produced in Afghanistan in a year.
3	Ratio of foreign trade in GDP	Outcome/ Impact USAID requested indicator	By sector, import and export	CSO, World Bank Report	Annual	Import 39%, Export 6% 2012 (World Bank)	Import 47%, Export 6% 2013 (World Bank)	Tracking only	Tracking only	This indicator captures the percentage of foreign trade (import and export) in the GDP of Afghanistan.
4	Value of goods imported to the United States taking advantage of Generalized System of Preferences (GSP)	Outcome/ Impact Required by Prime Contract	Commodity group; month, quarter	ACD, CSO	Annual	\$582,123 in 2013 (EPAA, ACD)	\$609,150 in 2014 (EPAA, ACD)	Tracking only	Tracking only	The U.S. GSP is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 126 designated beneficiary countries including Afghanistan.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
5	Value of exports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	\$307 million in 1391 (ACD) \$414.5 million in 1391 (CSO)	\$276 million in first six month of 1393 (ACD)	Tracking only	Tracking only	Value of exports here refers to the total value of Afghan licit goods and services sold in a foreign country or countries. Note: Based on ACD's data for six months in 1393, the total value of exports is \$276 million. Disaggregation by Country: Pakistan = \$80 million India = \$51 million Turkey = \$19 million UAE = \$11 million Iran = \$6 million China= \$5.9 million Iraq = \$2.8 million Turkmenistan = \$1.8 million Others = \$98.5 million
6	Value of imports	Outcome/ Impact USAID requested indicator	Product, countries	GIROA	Annual	\$7.464 billion in 1391 (ACD) \$8.9 billion in 1391 (CSO)	\$3 billion in six months of 1393 (ACD)	Tracking only	Tracking only	Value of imports refers to the total value goods or services brought into Afghanistan from another country. Data covers dutiable imports only. Note: Based on ACD's data for six months in 1393, total value of Afghanistan imports was \$3 billion. Disaggregation by Country: Pakistan = \$517 million China = \$517 million Iran = \$448 million Turkmenistan = \$215 million Japan = \$168 million Uzbekistan = \$163 million Kazakhstan = \$151 million Malaysia = \$136 million United Arab Emirates = \$87 million Russia = \$84 million India = \$75 million Others = \$443 million
7	Change in World Bank's Doing Business ranking,	Outcome/ Impact	None	World Bank Doing	Annual	184 (Doing Business Annual Report 2014)	184 (Doing Business Annual Report 2015)	Tracking only	Tracking only	The World Bank Doing Business report presents quantitative indicators compared across 189 economies over time. Afghanistan was ranked 179

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
	trading across borders indicator	Required by Prime Contract		Business Annual Report						out 183 in 2012 and 178 out of 185 countries in 2013. According to the 2015 report, Afghanistan is ranked 184 out of 189 countries.
8	Ease of doing business in Afghanistan (World Bank Doing Business report)	Outcome/ Impact USAID requested indicator	By sector	World Bank Doing Business Annual Report	Annual	164 (Doing Business Annual Report 2014)	183 (Doing Business Annual Report 2015)	Tracking only	Tracking only	The World Bank Doing Business report sheds light on how easy or difficult it is for a local entrepreneur to open and run a small- to medium-sized business when complying with relevant regulations. Based on the 2015 report, Afghanistan is ranked 183 out of 189 countries.
PIR 1: Capacity of Afghan government and private sector to formulate and implement liberal policy framework for trade and investment strengthened										
9	Percent reduction in discrepancy between CSO and ACD on trade statistics	Outcome/ Impact USAID requested indicator	None	GIROA	Annual	27%	15%	20%	10%	It is crucial to have reliable trade data for policy and planning. ATAR is supporting ACD and CSO to harmonize their trade data. Based on trade statistics data from ACD and CSO for 1393, the overall discrepancy was 15%, which is better than the target of 20% for the year.
PIR1.1: WTO accession process finalized										
10	Number of WTO-related legal acts advanced through the legislative process with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	12	12	30	Bringing the legal framework in line with the WTO agreements is a pre-condition for becoming a WTO member. This indicator captures progress made in the legislative process when draft laws (including amendments) and sublegal acts (regulations, orders) move from one stage to another. These stages are: 1) Sponsoring ministry; 2) MOJ; 3) Council of Ministers; 4) Parliament; and 5) Presidential endorsement. The twelve legal acts in the results are: 1. Law on plant protection and plant quarantine submitted to the Council of Ministers by MOJ 2. Law on animal health and veterinary public health submitted to MOJ by MAIL 3. Law on indication of production place submitted to Council of Ministers by MOJ

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										<p>4. Law on trademarks approved by Council of Ministers and submitted to Parliament</p> <p>5. Amendments to the 2005 customs law submitted to Council of Ministers by MOJ</p> <p>6. Amendments to the patents law submitted to Councils of Minister by MOJ</p> <p>7. Procedure on intellectual property border enforcement submitted to the Minister of Finance for signature</p> <p>8. Procedure on intellectual property border enforcement adopted and came into force on April 12, 2014</p> <p>9. Draft copyright law submitted on July 27, 2014, by MOJ to the Council of Ministers.</p> <p>10. Draft law on animal health and veterinary public health submitted by MAIL to MOJ</p> <p>11. Draft law on indication of production place submitted to the Parliament in Oct. 11, 2014</p> <p>12. Draft law on trademarks approved by Lower House and submitted to Upper House of Parliament in Oct. 29, 2014</p>
11	Number of WTO-related institutional reforms supported by ATAR	Outcome/ Impact USAID requested indicator	Ministry partner	Project records	Quarterly	0	7	4	10	<p>Acceding to the WTO requires the establishment of new institutions or restructuring of existing institutions as well as development of new institutional processes related to customs, trade, and other areas. This indicator captures these types of institutional reforms supported by ATAR.</p> <p>ATAR surpassed its target of four. The reforms in the project's results are:</p> <p>1. Institutional proposal accepted by MOCI for establishing a safeguard unit</p> <p>3. Five ISO mirror committees established: petroleum products and lubricants; food products;</p>

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										textiles; gas cylinders; concrete, reinforced concrete and pre-stressed concrete 3. Mechanism for coordination and cooperation between ANSA and other government entities on enquiry/notification
12	Number of draft legislative items (including regulations, procedures, and amendments) prepared by the Working Group at Ministerial level with ATAR support	Output USAID requested indicator	Ministry partner	Project records, MOCI	Quarterly	0	21	4	12	This indicator captures the number of new draft laws and sublegal acts prepared at the Ministerial level with ATAR support. This mainly refers to the first draft finalized at the Ministerial level. ATAR beat its target of four. The project's results include: 1. Twelve procedures related to food safety drafted and agreed by working group at MOPH 2. Draft regulations for implementing law on animal health finalized 3. Seven procedures for implementing the law on animal health prepared by the working group at MAIL 4. Draft regulations to implement law on plant protection and quarantine prepared by working group at MAIL
PIR 1.2: WTO implementation process developed and executed										
13	Number of public events held to discuss trade and business policy matters with stakeholders, the public, and the private sector	Output Required by Prime Contract	Province, gender of participants	Project records	Monthly	0	81 events (participants include 697 males, 153 females)	12	60	A public event is defined as an ATAR-led and/or supported trade-related activity such as conference, seminar, trade forum, presentations to university students, trade campaign, presentation to Parliament or Ministries, working group meetings, roundtable discussions, and other trade gathering. ATAR held 81 such events, surpassing its target of 12.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
14	Number of consultative processes with private sector as a result of U.S. government assistance	Operational Indicator Output Required by Prime Contract	Province, gender of participants	Project records	Quarterly	0	7	6	24	<p>Negotiating and implementing agreements requires intense coordination and cooperation among ministries and state bodies as well as with the private sector and civil society. Working groups for consultations on developing trade policies, negotiation strategies, trade procedures, and draft legislation with private sector are captured under this indicator.</p> <p>ATAR beat its targets, with results to date including:</p> <ol style="list-style-type: none"> 1. Consultative meeting on Feb. 22 with fruit and vegetable businesses 2. Consultative meeting on March 3 with handicraft, carpet, gemstones, and marble businesses 3. Consultative group with representatives of chambers from four regional counties (Afghanistan, Kyrgyzstan, Pakistan, Tajikistan) to establish a sustainable mechanism for cooperation across the region 4. Consultative meeting with KCCI regarding customs valuation practices 5. Working group for development of implementing regulations for food safety law 6. Consultations by the MOPH with private sector regarding changes to fees for import of pharmaceuticals and medical equipment 7. Working group on developing implementing legislation for the law on animal health

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.3: Private sector awareness of new opportunities for trade-related business development increased										
15	Number of awareness events held targeting the private sector	Operational Indicator Output	Gender of participants	Project records	Monthly	0	20	8	50	<p>The private sector is the main beneficiary of WTO accession. It is critical to educate the private sector about opportunities resulting from WTO accession and other trade agreements in order to enable necessary adjustments. ATAR will assist MOCI in undertaking a nationwide awareness campaign, including delivery of WTO seminars in key regions targeting the private sector, particularly small to medium enterprises and women-owned businesses.</p> <p>ATAR exceeded its annual target of eight. The project's awareness seminars to date include:</p> <ol style="list-style-type: none"> 1. WTO awareness seminar for MOJ in February 2014 2. Awareness about regional opportunities (Dushanbe business-to-business event) June 2014 3. Fourteen awareness events about food control authority and the legal authority contained in the draft food law and its supporting regulations 4. Three events in October 2014 on building awareness of trade opportunities under CATF and World Food/Almaty 5. SPS awareness seminar at MAIL in (February 2014)
16	Number of awareness documents prepared to educate about	Operational Indicator Output USAID	Province	Project records	Quarterly	0	13	4	10	This indicator will capture any type of awareness material developed with ATAR support in educating the private sector on WTO and trade opportunities.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
	WTO and regional integration	requested indicator								<p>ATAR exceeded its target of four. Project results included:</p> <ol style="list-style-type: none"> 1. Document for President Karzai office on WTO 2. Presentation developed for WTO awareness seminar for MOJ 3. Awareness materials on TIR 4. Copyrights general pamphlet 5. Copyrights music pamphlet 6. Copyrights publishers pamphlet 7. Copyrights awareness article 8. Educational materials on indication of production of place 9. Presentation to educate Tajik public and private sector about APTTA 10. Note to President Ghani on Afghanistan's WTO Accession 11. Strengthening food safety in Afghanistan 12. Good hygiene practices for businesses 13. SPS agreement awareness power point
17	Number of firms that have obtained quality certification in meeting minimum standards as a result of ATAR assistance	Outcome/ Impact USAID requested indicator	Type of firm	ANSA	Annual	0	0	0	40 (to be achieved in final year)	<p>Certification is when a third party gives written assurance that a product, service, process, personnel, organization, or system conforms to specific standards requirements.</p> <p>Certification was not scheduled for the first project year. During the first three years of the project, ATAR will assist ANSA to establish a certification unit for the first time in Afghanistan. This unit will be accredited by an external accreditation body and qualified to issue internationally accepted certification.</p>

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
PIR 1.4: Understanding and support for benefits of WTO and regional and bilateral trade agreements increased										
18	Change in public perception toward trade	Outcome/ Impact Required by Prime Contract	Province, gender, age	Perception survey	Annual	To be determined (TBD) from perception survey	TBD from perception survey	10% increase	40% increase	Increased understanding and support of the benefits of regional and bilateral trade agreements and WTO accession are vital. ATAR will work with MOCI to conduct a survey to determine knowledge and perceptions among the general population and stakeholders.
PIR 2: Regional and global integration enhanced										
19	Number of launched or signed initiatives on regional integration	Output USAID requested indicator	Type of initiative	Project records, MOCI	Quarterly	0	4	3	8	Afghanistan is interested in deepening and expanding regional integration through new and existing agreements on trade, investment, economic cooperation, transport, and transit. This indicator will capture initiatives such as agreements, memorandums of understanding, and protocols launched or signed with ATAR support. ATAR surpassed its target. The results include: 1. Transit and Transport Agreement with Azerbaijan launched 2. Mutual Assistance Agreement on Customs between Afghanistan and Tajikistan signed 3. Protocol of Accession of Afghanistan to the CBTA-5 signed by the Council of Ministers of Afghanistan 4. Trade and transit agreement with Azerbaijan, Georgia, and Turkmenistan launched
20	Number of firms receiving USG capacity building assistance to export	Output USAID requested indicator	Type of firm/ participants/ gender	Project records, EPPA	Monthly	0	315 firms	80 firms	400 firms	Capacity building assistance refers to market research, short-term technical assistance to government and/or private-sector beneficiaries, study tours and international trade fairs/exhibitions, exporter training sessions, networking and training supported by ATAR.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										Exceeding its targets, ATAR helped build the capacity of 315 firms, as detailed below: <ul style="list-style-type: none"> • June 2014 Dushanbe business-to-business event: 45 Afghan businesses, 60 Tajik businesses, 50 Kyrgyz businesses, • 107 businesses from Dushanbe business-to-business event • July 2014 EPAA seminar series on market research and international markets: 10 • July 2014 seminar series on global logistics: 8 • October 2014 training and roundtables to prepare for participation in CATF/World Food: 13 • February/March 2014 preparatory meetings for CABOC in Afghanistan: 40
21	Number of laden vehicles crossing Torqundi, Hairatan, Sher Kan Bandar, Torkham, and Weish in each direction	Outcome/ Impact Required by Prime Contract	Per direction	ACD	Annual	(As of 2012) Hairatan: Imports 66,851 Exports 2,734 Torqundi: Imports 43,209 Exports 542 Sher Khan Bandar: Imports 4,050 Exports 16,199 Torkham: Imports 175,770	Will be reported next quarter	Tracking only	Tracking only	This indicator refers to the number of declarations and number of vehicles paying custom duties.

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
						Exports: 32,451 Weish: Imports 35,166 Exports 2,167				
22	Number of interactions between businesses (and other relevant groups) with government entities in the region involving policy reform dialogues	Output USAID requested indicator	N/A	ATAR project records	Annual	0	7	6	24	<p>This indicator will capture the number of interactions and dialogues between businesses and government organizations in the region on policy reform issues.</p> <p>ATAR surpassed its targets. Results for its first year include:</p> <ol style="list-style-type: none"> 1. Two trade facilitation workshops in the Kyrgyz Republic in April and June 2014 2. A session during the Dushanbe business-to-business event related to policy reform involving businesses and government representatives 3. A session led by MOCI/EPPA on March 19, 2014, with women businesses 4. A session at MOCI on July 16, 2014, regarding para-tariffs under SAFTA 5. A session at MOCI on July 17, 14, regarding issues related to rules of origin 6. Session on regional trade challenges and practices under an export development course in the Kyrgyz Republic in May 2014
23	Number of customs procedures on transit corridors are harmonized	Output USAID requested indicator	BCP	ATAR project records	Annual	0	0	5	20	<p>This indicator will capture the modernization and harmonization of customs rules and procedures with international standards on transit corridors to reduce border crossing costs and delays.</p> <p>ATAR launched a number of customs harmonization initiatives, including risk</p>

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										management and post clearance audit, that are ongoing.
24	Cost to travel 500 KM per 20 ton (\$)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CARE Corridor Performance Management and Monitoring (CPMM)	Annual	\$1,580 Corridor 5, \$719 Corridor 6 (2012)	\$2,393 Corridor 5 (2013)	Tracking only	Tracking only	The total cost to travel here refers to a cargo truck traveling 500 km per 20 ton of goods. Both official and unofficial payments are included.
25	Percentage share of trade with regional partners	Outcome/ Impact USAID requested indicator	Country	National statistics of respective countries	Annual	Will be collected during next quarter	Will be reported next quarter	Tracking only	Tracking only	This indicator will capture the share of Afghanistan's trade with the regional partners. The regional partners are Pakistan, Tajikistan, Kyrgyzstan, India, Uzbekistan, Turkmenistan, and Kazakhstan.
26	Average cost of crossing borders (\$)	Outcome/ Impact USAID requested indicator	Corridor 5 Corridor 6	CPMM	Annual	\$157 (2012)	\$235 (2013)	Tracking only	Tracking only	The average of total expenses (\$) to move cargo from an exit point of a country to the entry point of another country. The entry and exit points are typically a primary control center where customs, immigration, and quarantine are done. Both official and unofficial payments are included. This indicator is normalized at 500 km as a basis of unit, so that average cost between long and short corridors is comparable.
PIR 3: Revenue generation for fiscal sustainability strengthened through reforms and anti-corruption measures in customs and taxation										
27	Growth in customs revenue (overall and per border crossing)	Outcome/ Impact Required by Prime Contract	Per border crossing	ACD	Annual	\$694 million in 1391	\$875 million in 1392	Tracking only	Tracking only	A customs duty and tax refers to tax on the importation and exportation of goods collected by custom houses.
28	Number of	Outcome/	Gender, age,	ACD	Quart-	77	1 (59 ACD)	100	175	In line with the Tokyo Mutual Accountability

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
	permanent professional positions allocated for women within ACD	Impact USAID requested indicator	education level		erly					<p>Framework and the National Action Plan for Women, ATAR will support ACD in meeting benchmarks related to increasing female participation in elected and appointed bodies at all levels of governance to 30 percent by 2020.</p> <p>ATAR began its internship program in December 2014 and will continue the internship program, focusing on females, throughout the remainder of the project. ATAR will work with ACD on transitioning the females to permanent positions.</p>
29	Number of female interns completing a six-month internship in ACD	Outcome/Impact USAID requested indicator	Gender, age, education level	ACD	Quarterly	20	0	40	100	<p>ATAR will support ACD to implement an internship program at ACD for university women. The internships will be headquarter-based rotational placements for a period of six months.</p>
PIR 3.2: Customs procedures to increase transparency, efficiency, and uniformity in the collection of revenue , performance of core functions, and facilitation of trade improved										
30	Average customs processing time (overall and per border crossing)	Outcome/Impact Required by Prime Contract	Province	ACD	Annual	Herat: 6 hours 17 minutes Hairatan: 3hrs 43 minutes Jalalabad 4 hours 18 minutes Shir Khan Bandar: 2 hours 13 minutes Aquina: 3 hours 21 minutes	Herat: 3 hours and 30 minutes Hairatan: 2 hours 40 minutes Jalalabad 3 hours 30 minutes Shir Khan Bandar: 2 hours 30 minutes Aquina: 2	20 minutes reduction each year	2 hours	<p>This indicator refers to number of hours required for the custom processing of goods (both import and export at key borders.</p>

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
31	Number of documents/procedures required to import and export	Outcome/ Impact Required by Prime Contract	Import, export	The current source is the World Bank Doing Business report. ACD has not yet confirmed numbers	Annual	10 Import/ 10 Export (World Bank Doing Business report 2014)	10 Import/ 10 Export (World Bank Doing Business report 2015)	Tracking only	Tracking only	The number of documents required for import and export is a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report. Based on the 2015 report, Afghanistan requires 10 documents for import and 10 for export while the average document required for South Asia is 8 for import and 10 for export.
32	Time to export and import	Outcome/ Impact USAID requested Indicator	Import, export	The current source is World Bank's Doing Business report. ACD has not yet confirmed numbers	Annual	85 days, import, 81 days, export (World Bank Doing Business report 2014)	91 days, import, 86 days, export (World Bank Doing Business report 2015)	Tracking only	Tracking only	"Time to export and import" is also a key sub-indicator of "Trade across border" indicator of World Bank's Doing Business report and has a direct effect on Afghanistan ranking. Based on 2015 report, Afghanistan requires 91 days for import and 86 days for export while the
33	Number of customs systems in line with international best practices adopted	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	6	15	Systems refer to valuation, risk management, E-Pay, appeals, simplified import procedures, and the national hotline. ATAR did not achieve this target for a number of reasons: external delays in full implementation of E-Pay, valuation is awaiting WTO accession, risk management systems have not been fully utilized, and transit/TIR activities have begun but are yet to be fully adopted by ACD. ATAR will continue working on these activities. In

No	Indicator	Indicator Type	Dis-aggregation	Data Source	Timing	Baseline	Achievements from project start (Nov. 2013-Nov. 2014)	Year 1 Target	Life-of-Project Target	Notes
										addition, project activities to establish the professional standards unit and internal audit unit, restart the national anti-smuggling hotline, and begin customs warehousing will start in 2015.
34	Number of risk management procedures adopted at customs depots	Outcome/ Impact USAID requested indicator	ICD	ATAR project records	Annual	0	0	4	10	A procedure refers to risk awareness self-assessments, risk profiling, risk registers, and management controls as part of roll-out of risk management. While ATAR did not achieve its target in the first year, the project has started activities such as establishment of a professional standards unit and internal audit unit and will perform activities in support of post clearance audit in 2015.
Cross – Component Indicators										
35	Number of USG-supported training events held that related to improving the trade and investment environment, number of participants, and person days of training	Operational indicator Output Required by Prime Contract	Gender, Topic	Project training records	Month-ly	0	66 trainings 1,215 participants including 1,008 male and 207 female 1,237 person days of training	30 trainings/ 300 participants	120 trainings/ 1,200 participants	Training is defined as an ATAR-led activity related to improving the trade environment. "Training" refers to an activity that takes place in Afghanistan or another country that is intended for providing knowledge on a specific topic and to build technical capacity and skills. This indicator captures trainings and seminars and is reported by training type, target group, gender, and person days of training. ATAR surpassed its target of 30 training by holding 66 training during the first project year.
36	Person hours of training completed in trade and investment capacity building supported by USG assistance	Output USAID requested indicator	Province, Gender	Project records	Month-ly	0	8,661 (Male 6,893, female 1,768)	1,500	6,000	This indicator captures person hours of training. Person hour refers to number of hours of training completed by an individual. If training is for two hours and 20 people participate, the person hours of training will be 40. ATAR supported 8,661 person hours of training, beating its target of 1,500.

G. LESSONS LEARNED

1. Challenges

While significant security restrictions and the protracted presidential elections impeded ATAR's work at government entities, each project component faced unique obstacles as well.

Component 1: Support Trade Policy Liberalization

During the second quarter of 2014, ATAR's relationship with MOCI became strained; project activities were halted at the ministry and in support of the ministry, and ATAR faced difficulties in working with other ministries on WTO-related activities. MOCI and ATAR reached an agreement on issues in the third quarter of 2014, including improved communication for better coordination and responsiveness as well as a new procedure that involved MOCI in the hiring of technical advisors.

Afghanistan's uncertain political situation proved another obstacle to progress in the area of WTO. The Afghan government completed preparations for holding its fifth Working Party meeting in October 2013 and further augmented materials in February 2014 with ATAR support. The fifth Working Party meeting was scheduled for November 2013 and for April 2014 with the concurrence of all WTO Working Party members, but the meeting was cancelled both times due to delays in approval of the travel of the Afghan delegation in light of the presidential election and subsequent audit process. The re-scheduling of Afghanistan's fifth Working Party meeting is pending the decision of the new Afghan government.

Component 2: Facilitate Enhanced Access to Regional Markets

During Year 1, ATAR was not officially launched in Turkmenistan and Uzbekistan given delays in government procedures in accepting ATAR assistance. The Turkmen and Uzbek governments have not yet totally cleared ATAR to proceed with operations in those countries.

The conflict between the Kyrgyz Republic and Tajikistan regarding the Karamyk border crossing point also impeded ATAR's work on customs cooperation. Due to the tense border situation at border between Kyrgyzstan and Tajikistan, advancing any effort related to joint border cooperation or framework for customs cooperation was futile.

Component 3: Improved Customs Administration

ATAR's Year 1 work plan for Component 3 was overly ambitious, especially in the light of the departure of the customs reform manager in April. His departure left a technical and management gap on the component; the gap was temporarily filled by the national deputy team leader and one expatriate short-term advisor until the arrival of the new manager in July. Some of the first-year work plan will be carried over into the second-year work plan, which will have a more targeted focus.

Upon the arrival of the new team leader, ACD buy-in into the first-year work plan required an additional concerted effort on the part of ATAR. ATAR and ACD held joint sessions to review, re-assess, and re-prioritize work plan activities, finally confirming the way forward with minimal adjustments.

Despite repeated requests to ACD through the year, ATAR did not receive all of the ASYCUDA data necessary to complete the review on risk management policy, procedures and result monitoring. In addition, ACD's reluctance to provide DAB with access to ASYCUDA delayed the implementation of E-Pay in 2014.

ATAR revised its work plan early in the year to refocus resources to directly support VAT implementation at ACD rather than ARD, but the activity was on hold throughout much of the year at USAID's direction. ATAR temporarily removed VAT from its year-one work plan, and then removed the activity permanently at the end of the year at USAID's request.

2. Lessons Learned

ATAR worked with USAID to develop a "lessons learned" list in October 2014 that will help to inform the project's second year.

The following is an abbreviated version of the list:

- To be effective, the work ATAR does must have complete buy-in from GIROA authorities and subordinates charged with implementation.
- Partners will not read long documents in technologically sophisticated language. ATAR should deliver one-page forward looking documents that reflect the priorities and buy-in of Afghan partners and define the work to be conducted and committed to by them.
- Conflict breeds silence and distrust. Communicate with host partners continuously, through business meetings, updates and requests for feedback, to provide as many opportunities as possible to build effective relationships.
- Trusted mediators can change communication dynamics by helping clarify issues, reframing problems and possibly offering resources or solutions from third parties.
- Having explicit expectations about alternative activities based on contingent circumstances out of the project's control will help allocate resources more effectively.
- ATAR might find incentive and capacity in the private sector in areas where the project's public partners might be lacking.
- It takes a great deal of effort, time, resources, and the cultivation of effective relationships to move nations, donors, ministries, and business counterparts to overcome inertia. ATAR should find champions wherever possible.
- Long-term efforts require continuity and the commitment of individuals who will participate for extended periods of time.
- Decisions on security and reporting of those decisions should be aligned. There should be tighter correspondence between budgets and communication by decision makers.

3. Assessments

Hiring assessment

At the request of USAID, Checchi International conducted an assessment during the second quarter on the project's "Hiring Manual and Procedures." The assessment team examined the hiring processes of a total of 22 ATAR staff, 19 technical staff who work closely with GIROA counterparts, and three ATAR operations staff. In addition to closely reviewing the recruitment files for the mentioned positions, the assessment team looked at Chemonics and ATAR policy manuals and held interviews with current and former staff to determine whether or not the project had followed its internal policies and best practices.

The assessment's findings resulted in ATAR revising existing policies to better institutionalize best practices in recruitment and to better document the recruitment process. In addition, the assessment led to ATAR's adoption of new practices to improve communications and coordination with key counterparts, and to more actively include them in the assessment of staffing needs and the formulation of position terms of reference.

Multi-tiered monitoring

USAID intensified its monitoring and verification efforts in the latter half of 2014, requiring more advanced notice of ATAR events and a more comprehensive overview of the events upon completion. ATAR assessed its procedures in place and implemented an online calendar that allowed staff in Afghanistan and Central Asia to keep USAID abreast of upcoming workshops, working groups, roundtables, and exhibitions. In addition, following an event, ATAR staff provided a participant list, agenda, presentations, photos, and other relevant information for filing and submission to USAID.

H. GIROA AND DONOR COLLABORATION

1. Links with GIROA

ATAR's success is dependent on its close relationship with GIROA. ATAR had staff embedded at ACD, MOCI, MOJ, and EPAA to work with staff on an almost continuous basis. In addition, ATAR worked closely with relevant ministries – such as MAIL, MOPH, and MOIC – conducting meetings, trainings, and working groups, to ensure that government officials were part of the decision-making process and had a thorough understanding of WTO activities such as draft laws, regulations, and procedures.

In addition, Afghan embassies and commercial officers were also actively involved in ATAR's Central Asian events, such as the Modern Transport and Logistics Workshop in Bishkek.

2. Links with Donor Agencies

In support of the project's activities in Central Asia, ATAR worked in close coordination with donor agencies including the Asian Development Bank (ADB), United Nations Development Programme (UNDP), the European Union, GIZ, and OSCE.

ATAR also liaised with the Tajikistan Chamber of Commerce and Industries, the Kabul Chamber of Commerce and Industries, the Kyrgyzstan Chamber of Commerce and Industry, and the Pakistan Afghanistan Joint Chamber of Commerce and Industries. ATAR worked with the regional country chambers to gain their approval of a draft MOU the project prepared to strengthen cooperation.

ATAR Partners

- Adam Smith International (ASI)
- Afghan Carpet Producer and Exporter Guild (ACEG)
- Afghanistan Chamber of Commerce and Industries (ACCI)
- Afghanistan Dried Fruits and Nuts Association (ADFNA)
- Afghanistan Fresh Fruits and Vegetables Association (AFFVA)
- Afghanistan Marble and Granite Processing Association (AMGPA)
- Afghan Women's Business Federation (AWBF)
- American Chamber of Commerce and Industry (AmCham)
- Asian Development Bank (ADB)
- Association of Afghan Freight Forwarding Companies (AAFCCO)
- Association of International Automobile Transport of Tajikistan (AIATT)
- Association of International Road Carriers of the Republic of Tajikistan (ABBAT)
- Association of the International Road Transport Operators of the Kyrgyz Republic (AIRTO-KR)
- Balkh Chamber of Commerce and Industries (BCCI)
- CAREC Federation of Carrier and Forwarder Associations (CFCFA)
- European Union (EU)
- European Union's Border Management Northern Afghanistan (EU-BOMNAF)
- Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Global Alliance for Improved Nutrition (GAIN)
- International Road Transport Union (IRU)
- Kabul Chamber of Commerce and Industries (KCCI)
- Kyrgyzstan Chamber of Commerce and Industry
- Nangarhar Chamber of Commerce and Industries (NCCI)
- Organization for Security and Cooperation in Europe (OSCE)
- Pakistan Afghanistan Joint Chamber of Commerce and Industries (PAJCCI)
- Pakistan National Committee of International Chamber of Commerce (PNC-ICC)
- Tajikistan Chamber of Commerce and Industry (TCCI)
- United Nations Conference on Trade and Development (UNCTAD)
- United Nations Development Programme (UNDP)
- United Nations Office for Project Services (UNOPS)
- USAID's Commercial Horticulture and Agriculture Marketing Project (CHAMP)
- USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA)
- USAID's Macroeconomic Project (MEP)
- USAID's Regional Economic Cooperation (REC) project
- U.S. Department of Commerce's Commercial Law Development Program (CLDP)
- World Bank

In a prime example of partnership and collaboration during the year, ATAR organized a business-to-business event in Dushanbe, Tajikistan, in June 2014 in coordination with donors, regional chambers, and public and private representatives.

With regard to customs, ATAR coordinated where possible with implementing partners at ACD, including Adam Smith International (ASI), the World Bank, and the Border Management Task Force (BMTF), which departed in September 2014. ATAR also met with the European Union's Border Management Northern Afghanistan (EU-BOMNAF) project to partner on customs activities in support of ACD.

ATAR continues to coordinate with other implementing partners at ACD, including UNOPS, UNCTAD and the World Bank. However, these partner agencies often did not respond to ATAR's requests for information sharing.

3. Links with USAID Projects

ATAR partnered with USAID projects in Afghanistan and in the region wherever possible. The following are just a few examples of coordination during the year:

- In Central Asia, ATAR co-located with USAID's REC project at the Chemonics' office in Tashkent, Uzbekistan, and worked with REC on regional trade activities.
- ATAR participated in the TIFA Customs Working Group meeting organized by the Commercial Law Development Program (CLDP) in Bishkek and gave a short presentation regarding its regional work.
- ATAR worked with USAID's CHAMP and FAIDA to facilitate the participation of Afghanistan in the Gulfood Exhibition in Dubai.
- ATAR supported Afghanistan's participation in CABOC, which was organized by USAID's PTP, to enable Central and South Asian businesses to exchange information, establish relationships, and meet government officials.
- ATAR provided support to USAID's Macro Economic Project (MEP) in organizing the Astana Trade Policy Conference: Expanding Central and South Asia's Regional Trade on July 1-2.
- ATAR coordinated activities with USAID's REFORMA project in Kyrgyzstan.

ANNEX A: WTO LEGISLATIVE ACTION CHART

AFGHANISTAN'S LEGISLATIVE ACTION PLAN FOR WTO ACCESSION AS OF NOVEMBER 2014					
No.	Legislation	Responsible Government Authority/ ATAR Employee	Status	Stage: 1. Sponsoring Ministry ¹⁴ 2. Ministry of Justice 3. Council of Ministers ¹⁵ 4. Parliament 5. President 6. Entry into Force	Laws and Regulations Included in MOJ 1393 ¹⁶ Agenda ¹⁷
Legislative items receiving ATAR support					
1	Amendments to the 2005 Customs Law	ACD Wali Faqirzaad Brian O'Shea	MOJ submitted the draft to the Council of Ministers in March 2014. The draft is under review, and it is expected the review will accelerate after the formation of a new government.	Council of Ministers	Yes
2	Procedure on Customs Valuation (including interpretative notes and software and interest charge valuation)	ACD Wali Faqirzaad Brian O'Shea	The Minister of Finance is to adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
3	Procedure on Advance Ruling on Binding Decisions (covering advance origin rulings)	ACD Wali Faqirzaad Brian O'Shea	In the second half of 2014, ATAR worked with ACD to finalize the draft; the draft has been submitted to the Director General for approval. ATAR is regularly following up with the Director General. The Minister of Finance will adopt the procedure after the draft customs law is adopted.	Sponsoring Ministry	N/A
4	Law on Standards and Technical Regulations	Afghanistan National Standards Authority (ANSA) Sayed Hashimi Farhat Farhat	ANSA completed its review and shared a Dari version of the law with track changes with ATAR. ATAR is reviewing the revised draft for WTO conformity.	Sponsoring Ministry	No
5	Law on Plant Protection and Quarantine	Ministry of Agriculture, Irrigation and Livestock (MAIL) Siyar Sahar Luis Flores	The Council of Ministers approved the draft in September 2014. In the reporting period, the Council of Ministers submitted the draft to MOJ for Pashto translation	Ministry of Justice	Yes

¹⁴ Procedures remain at the level of sponsoring ministry for adoption by the Minister and do not proceed further.

¹⁵ Regulations go to the Council of Ministers and do not proceed further.

¹⁶ The solar year 1393 covers the Gregorian year March 21, 2014, through March 20, 2015.

¹⁷ Procedures and amendments not exceeding 50 percent of original legislation do not need to be on the MOJ agenda.

6	Law on Animal Health and Veterinary Public Health	MAIL Sayed Hashimi John Woodford	ATAR assisted MAIL in finalizing the draft. MAIL submitted the draft to MOJ on Sept. 30. MOJ established a working group to review the draft; ATAR participated in four working group meetings; the last was held on Nov. 8, 2014.	Ministry of Justice	Yes
7	Law on Food Safety	Ministry of Public Health (MOPH) Sayed Hashimi Gary Stefan	MOPH submitted the draft law to MOJ on Oct. 29. On Nov. 8, ATAR conducted a seminar on food safety issues to educate MOJ and MOPH staff on the law. MOJ included the law on its agenda, and ATAR will assist MOJ in its review.	Ministry of Justice	Yes
8	Procedure Customs Control of Intellectual Property Rights (Intellectual Property Border Enforcement)	ACD Wali Faqirzaad Polly Maier	The Minister of Finance adopted this procedure on April 12, 2014.	Sponsoring Ministry	N/A
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of 31 April 2009 (Patents Law)	MOCI Wali Faqirzaad Polly Maier	On Nov. 9, the Legislative Committee of the Council of Ministers examined the draft and proposed a patent board. On Nov. 22, the MOJ Acting Minister presided over a roundtable that focused on the proposal of the establishment of a patent board. On Nov. 30, Second Vice President Sarwar Danish held a session in the Legislative Committee of the Council of Ministers with acting ministers and deputy ministers. The event dealt with remaining issues on the establishment of a board.	Council of Ministers	Yes
10	Amendments to the Law on Trademarks of 1 September 2009	MOCI Wali Faqirzaad Polly Maier	In a series of developments, on Dec. 1, a working group was held in the Parliament's Upper House to review the trademark law. MOJ's Director of the Legislative Board and MOCI's Acting Minister attended the session. Thereafter, the draft was approved in a General Session by the National Economic Commission (and other relevant Commissions).	Parliament	Yes

11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of 26 July 2008 (Copyrights Law)	Ministry of Information and Culture (MOIC) Siyar Sahar Polly Maier	The Council of Ministers sent the draft to MOJ with minor changes. ATAR is ensuring the changes do not violate WTO requirements. On Nov. 30, ATAR was invited to the Legislative Committee of the Council of Ministers. This was chaired by Second Vice President Sarwar Danish, ministry officials, and President Ghani's legal advisor. ATAR assisted in replying to questions of the committee. The Legislative Committee approved the draft, instructing MOJ to check certain terms.	Council of Ministers	Yes
12	Law on Indication of Production Place	MOCI Wali Faqirzaad Polly Maier	In an important development, the law was submitted by the Acting Minister of Justice to Parliament on Oct. 8. On Oct. 18, the Acting Minister of Justice presented the law to the Lower House. On Oct. 28, the National Economic Commission of the Parliament (Lower House) conducted a roundtable on the law. On Nov. 3, the commission conducted two working group meetings on the draft. On Nov. 18, the draft was circulated and shared with all other 18 commissions. The Commission on Privilege and Immunity approved the draft (with minor amendments), and the draft remains under review by other commissions.	Parliament	Yes
13	Law on Industrial Designs	MOCI Wali Faqirzaad Polly Maier	ATAR assisted MOJ in conducting a working group meeting to review the law in October. ATAR started to review MOJ suggestions to ensure WTO conformity.	Ministry of Justice	Yes
14	Draft amendments to the Civil Procedure Code (Chapter Three)	MOCI Wali Faqirzaad Polly Maier	MOCI based on request of the MOJ resubmitted the proposed amendments along with an official letter in the reporting period.	Sponsoring Ministry	Yes
15	Law on Trade Secrets (undisclosed information)	MOCI Siyar Sahar Polly Maier	During the reporting period, ATAR assisted MOJ in finalizing the first review of the draft at MOJ's Commercial and Private Sector Department.	Ministry of Justice	Yes
16	Law on Topography of Integrated Circuits	MOCI Wali Faqirzaad	The draft is at MOCI and will be sent to the MOJ as soon as the official letter is signed.	Sponsoring Ministry	No

		Polly Maier			
17	Law on Consumer Protection (provisions on Unfair Competition)	MOCI Sayed Hashimi Polly Maier	MOJ's Commercial and Private Sector Department completed its review. However, MOCI introduced amendments (unrelated to WTO). MOJ is working on the revised draft.	Ministry of Justice	Yes
18	Law on Plant Variety Protection	MAIL Siyar Sahar William Lesser	ATAR worked with MOCI to encourage MOJ to include the draft on this year's agenda. ATAR met with the Deputy Minister to discuss the pre-assessment of plant variety protection. ATAR collected data for the pre-assessment and met with MAIL and the private sector to assess Afghan-specific benefits of plant variety protection. On Nov. 2, ATAR conducted a plant variety protection workshop at MAIL to improve understanding of the law and discuss the impact assessment.	Sponsoring Ministry	No
19	Amendments to the Law on Publication and Enforcement of Legislation of 1998	MOCI/MOJ Wali Faqirzaad Drew Sundberg	ATAR assisted MOJ in conducting two working group meetings in October. Fifteen articles were reviewed. MOJ's Publication Department proposed the addition of six new articles. ATAR will review the proposed additions.	Ministry of Justice	Yes
20	Amendments to the Regulation on Drafting Procedure and Processing of Legal Acts	MOCI/MOJ Siyar Sahar Drew Sundberg	The draft is at MOJ under review by the relevant MOJ legislative department.	Ministry of Justice	N/A
21	Law on Foreign Trade in Goods	MOCI Sayed Hashimi Drew Sundberg	During the period, ATAR assisted MOJ in working group meetings to review the draft. In a major development, the MOJ Legislative Department completed its review of the draft. The draft will be submitted to the MOJ Executive Board.	Ministry of Justice	Yes
22	Procedure on Import and Export Licensing	MOCI Sayed Hashimi Drew Sundberg	The draft procedure is finalized and will be adopted once the law on foreign trade is adopted.	Sponsoring Ministry	N/A
23	Procedure on Customs Storage Fees	ACD Wali Faqirzaad FarhatFarhat	The draft is at ACD for final review. ATAR assisted ACD in conducting a working group meeting on Aug. 6 to review the procedure. This is awaiting signature.	Sponsoring Ministry	N/A
24	Regulations of production and importation of medicines and medical equipment of 24 February 2007 (concerning fees)	MOPH Siyar Sahar Farhat Farhat	ATAR prepared a methodology for analyzing fees for import licenses for importers/producers of pharmaceutical products to encourage restructuring of fees in line with WTO.	Sponsoring Ministry	N/A
25	Income Tax Law (concerning unequal treatment of import tax)	Ministry of Finance (MOF)	The Afghanistan Revenue Department (ARD) said the draft was finalized and submitted to MOJ. MOJ	Sponsoring Ministry	N/A

		Wali Faqirzad Farhat Farhat	confirmed, however, that it did not receive the draft.		
26	Law on Safeguards Measures for Domestic Protection	MOCI Sayed Hashimi Drew Sundberg	The draft is awaiting review by the relevant MOJ legislative department. MOCI and ATAR are encouraging MOJ to include the law on this year's agenda.	Ministry of Justice	No
Legislative items not prepared by ATAR					
27	Value Added Tax	MOF	The law has been approved by the Parliament Upper House and signed by the President. It is awaiting publication in the official journal.	President	Yes
28	Law on Minerals	Ministry of Mines	The President signed the law on August 11. It was published in the official gazette.	Entry into Force	Yes