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# Economic Growth & Governance Initiative

Q4 Quarterly Report July—September 2011  
September Monthly Report



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During the fourth quarter, EGGI project activities continued to help facilitate GIRoA's fiscal sustainability by supporting program and provincial budgeting processes, and helping improve tax administration. EGGI also helped advance GIRoA's long-term capacity to spur private sector development by completing the transition of the Afghan Central Business Registry (ACBR), Doing Business Better Initiative (DBBI), and Commercial Law workstreams to GIRoA counterparts in the Ministry of Commerce and Industry (MoCI).

EGGI activities in program and provincial budgeting helped to strengthen GIRoA's overall efforts in budget reform. Activities included trainings for 152 officials from Western and Southern provinces on preparing development project proposals for the 1391 budget process; assisting 16 provinces to complete proposals for the 1391 budget; and holding a workshop to orient Ministry of Finance (MoF) Budget Department staff on the Budget Circular 2 (BC-2) process.

In tax administration, Medium Taxpayer Offices (MTO) in Herat and Mazar continued to show strong improvement in revenue collected and tax returns filed. Year-to-date collections totaled 143.9 million AFN and 115.6 million AFN in Herat and Mazar respectively; Herat's collection showed an 81% increase over the same period in 2010. These results reflect EGGI's ongoing emphasis on managing by revenue statistics, and working with MTO directors to target specific tax categories for focused taxpayer education and outreach. EGGI support in tax administration also included technical assistance in MTO management and audit activities, and integrating 2500 Small Taxpayer Office (STO) cases into the Herat and Mazar MTO inventories.

EGGI's contributions to private sector development focused on empowering the MoCI to take over stewardship of the areas where EGGI had been leading. The ACBR and DBBI workstreams were transitioned to the Private Sector Development and ACBR Directorates of the MoCI, completing a full changeover of technical assistance as EGGI delivered transition plans, research summaries, and concept notes to facilitate GIRoA counterparts moving forward. The Commercial Law workstream also concluded its work of drafting and analyzing commercial legislation, transitioning its operations and legal documents to the MoCI Legal Directorate. These activities all reflect EGGI's continued focus on making its activities sustainable for the future by developing the capacity of Afghan counterparts and then putting those activities in their hands.

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## Quick Q4 Recap: Notable Areas of Progress

### Component 1: Economic Policy

- 1) Policy Support to the Ministry of Finance:** Provided policy analysis for the Minister of Finance in key multilateral discussions on the status of Afghanistan's National Priority Programs (NPPs).
- 2) Program Budgeting:** Supported the MoF to launch the 1391 (2012-13) budget process through training programs delivered to all 57 budgetary units.
- 3) Provincial Budgeting:** Assisted 16 Eastern and Central region provinces to complete budget proposals for the 1391 budget process, following regional workshops completed in July/August.
- 4) Tax Administration:** Continued to significantly increase tax return filings in Herat and Mazar MTOs, improving filing rates by 34% and 71% respectively over 2010.

### Component 2: Business Enabling Environment

- 1) Business Registration:** Uploaded a new, enhanced ACBR registration application for online use; completed formal transition process of ACBR application from EGGI to the MoCI.
- 2) Commercial Law:** Successfully completed transition of the workstream to the MoCI/Legal Directorate.
- 3) Doing Business Better Initiative:** Analyzed impact of Afghan laws, regulations, and procedures on the country's ranking in the World Bank "Doing Business" report; completed transition of the workstream to the MoCI / Private Sector Development (PSD) Directorate.
- 4) Gender Mainstreaming:** Hired 10 interns into EGGI's Women in Government Internship Program, with internships in GIRoA agencies including the Ministry of Economy (MoE) and Afghanistan Investment Support Agency (AISA).

## Q4 Objectives in line with results

### IR 1.2.1 Improve Economic Policy and Governance

#### Economic Policy

Work-stream	Quarterly Objective	Quarterly Results
<b>Policy Support to the Minister of Finance</b>	Provide updates on macroeconomic performance and advice on fiscal policy issues to the Minister	Initiated collaboration with Head of the Fiscal Policy Unit (FPU) in the MoF. Presented analysis of Afghanistan's revenue and expenditure trends and impacts to fiscal sustainability to USAID/Department of State (DoS) representatives.
<b>Program Budgeting</b>	Support the MoF to launch the 1390 budget process and hold kick-off training for budgetary units on MoF requirements	Supported the MoF to conduct a month-long comprehensive program budget training program for 364 GIRoA civil servants from all 57 budgetary units. This training was followed by ongoing technical assistance for assigned budget units in revising program structures and narratives, and costing of operating budgets for year 1391.
<b>Provincial Budgeting</b>	Support the MoF to launch a provincial budgeting formulation pilot for five Line Ministries and their provincial departments	Supported the MoF to conduct provincial budgeting workshops for five Western and two Southern provinces, reaching 108 and 44 participants respectively. Workshops provided guidance on preparing development project proposals for the 1391 national budget process.
<b>Tax Administration</b>	Support ongoing installation and strengthening of Medium Taxpayer Offices (MTO) in Herat, Mazar, and Jalalabad	Supported Herat and Mazar MTOs in targeting specific tax areas to help improve consistent revenue collection levels. Assisted Herat MTO with new taxpayer education program to improve outreach to segments that are below average in tax compliance. EGGI assistance helped MTO tax collection and tax filing metrics to exceed quarterly targets.

### IR 1.2.3 Improve Private Sector Growth

#### Business Enabling Environment

Work-stream	Quarterly Objective	Quarterly Results
<b>Business Registration</b>	Support development of ACBR staff training program and release of ACBR application, and complete transition of the effort to MoCI	Transferred institutional knowledge to MoCI Central Business Registry Directorate by implementing a "train the trainers" model with two MoCI/ACBR staff members. Completed development and delivered new ACBR online registration application, and conducted training of ACBR provincial Managers and IT personnel. Completed full transition plan for transferring ACBR to the MoCI/ACBR Directorate.
<b>Commercial Law</b>	Support legal policy and legislative initiatives as determined with MoCI, and complete transition of the effort to MoCI	Completed assistance to MoCI in drafting commercial laws and regulations, and created documentation summarizing key legal perspectives. Continued to support ACBR and DBBI workstreams from a legal perspective. Completed full transition of DBBI activities and deliverables to the MoCI Legal Directorate.
<b>Doing Business Better Initiative (DBBI)</b>	Support working groups to identify potential reforms to improve the business enabling environment, and complete transition of the effort to MoCI	Delivered analysis summarizing all EGGI research on regulations, procedures, and licenses impacting Afghanistan's rank in the World Bank "Doing Business" report. Based on this document, created high-level recommendations to improve Afghanistan's rank in the areas of "Starting a Business," "Protecting Investors," and "Closing a Business." Completed full transition of DBBI activities and documents to the MoCI PSD Directorate.



USAID/EGGI Program Budget Team members discuss the 1391 budget process at the Budget Reform "Lessons Learned" Workshop in Kabul on July 31, 2011

### Cross-Cutting: Gender Mainstreaming

Workstream	Quarterly Objective	Quarterly Results
<b>Gender Mainstreaming</b>	Support former EGGI interns to obtain full-time jobs in GIRoA and the private sector, and start internships for recent university graduates	Supported five interns to secure full-time jobs and provided 10 internships to new recent female graduates in the Ministry of Economy (MoE), the Afghanistan Investment Support Agency (AISA), and EGGI budget team.

# Notable Areas of Progress

## Regional Overview

Through utilizing local national staff, EGGI continued to advance key project objectives at the provincial level throughout Afghanistan. Regional teams based in the West, East, and North of Afghanistan coordinated EGGI activities to facilitate implementation of central government initiatives in public financial management at the regional level.

EGGI provided targeted support to provincial-level GIRA bodies and directorates involved in economic governance affairs, with particular

attention to regional tax administration and the provincial budgeting process. Activities in the provinces that focused on strengthening of the business enabling environment concluded in Q4, culminating efforts in a key area of the private sector economy. The combined success of all these elements is key to achieving sustainable economic growth.

In Q4, EGGI provincial activities were focused on three regions, which are highlighted below.

## Herat

**Tax Administration:** EGGI continued to support the Medium Taxpayer Office (MTO) within the Herat Mustofiat, in partnership with another donor's tax reform program. The MTO collected 42.5 million AFN of revenue during the quarter, which brings revenue at mid-year point to 70% of the annual target of 215 million AFN. Results to date demonstrate higher taxpayer filing compliance and increased tax revenue collections compared to previous years, and show the effect of targeted taxpayer education efforts in raising withholding tax collection.

**Provincial Budgeting:** The EGGI provincial budgeting team supported the MoF to conduct two provincial budgeting workshops for five Western provinces in Herat on Sept. 20-22, with 108 participants attending.

EGGI provincial budgeting officers in Herat also assisted provincial line directorates to prepare budget circular forms for development project proposals (see Mazar below).



## Mazar

**Tax Administration:** EGGI continued to support the MTO within the Mazar Mustofiat, in partnership with another donor's tax reform program. The MTO generated 44.5 million AFN of revenue during the quarter, an increase of 112% over the previous quarter and indicative of the MTO's progress towards meeting yearly revenue targets. Results to date demonstrate higher taxpayer filing compliance and increased tax revenue collections compared to previous years, and show the effect of targeted taxpayer education efforts in raising withholding tax collection.

**Provincial Budgeting:** Following MoF/EGGI workshops on costing and preparing justifications for priority development projects, EGGI provincial budgeting officers in Mazar assisted the provincial line directorates to prepare budget circular forms for project proposal estimates and project justification templates.



## Jalalabad

**Provincial Budgeting:** EGGI provincial budgeting officers based in Jalalabad participated in monthly Provincial Development Committee (PDC) meetings for July – September to advance the provincial pilot process in Nangarhar for the pilot provincial directorates. During the PDC meeting held on September 28, 2011, the EGGI provincial budgeting officer briefed the participants on the new provincial budgeting policy approach and provided a recap of the regional training conducted for provincial officials from Nangarhar, Laghman, Kunar, and Nuristan on July 14-16, 2011. According to the

approach, provincial directorates are invited to submit budget requests (BC-1) for two development projects up to \$500,000 that align with the National Priority Program in their respective sectors.

During September, provincial budgeting officers also assisted pilot provincial directorates to complete the new project activity proposals for their Line Ministry and MoF review and consideration.



# Women in Government Program

## EGGI Empowers Women to Obtain Work Experience with GIRoA

*Women's empowerment is inextricably linked to economic growth and the overall achievement of USG objectives in Afghanistan. Through EGGI's Women in Government Internship Program, USAID emphasizes assistance to build women's capacity to participate fully in Afghan society by increasing women's political empowerment and participation. Over the life of the program, EGGI has graduated 33 interns. During Q4, 10 more interns began assignments with EGGI counterpart organizations. The program provides interns with exposure to work experience in government, and an opportunity to develop the technical skills necessary to compete for employment opportunities historically not available to Afghan women.*

The objective of the Women in Government (WIG) Internship Program is to promote women in government by providing 3-6 month internships within Ministries that align with EGGI's program objectives. The program provides interns with:

- Exposure to the work and impact of GIRoA or related entity
- Work experience to assist with gaining long-term employment with GIRoA or related entity
- Professional skills development
- Exposure to government culture, and "new" industries that will be regulated by government or independent agencies

### Ten interns begin assignments with GIRoA in EGGI counterpart entities

In August, 10 female university graduates began internship assignments. Five interns are working in the Ministry of Economy (MoEC) Afghanistan National Development Strategy (ANDS) Monitoring and Evaluation (M&E) Department, two are working at the Afghanistan Investment Support Agency (AISA), and two are working on the EGGI/Ministry of Finance (MoF) Program Budgeting team. This is the third class of talented young interns to commence assignments with EGGI's successful internship program. The program is designed to link top graduates of local universities with internship positions in GIRoA institutions to foster employment skills. The goal of the program is to support more women to obtain full-

EGGI's Engeela Farzan leads a session on business writing during a September workshop for WIG interns



time jobs in GIRoA or in the private sector upon graduation. This is achieved by providing the interns with "real life" job experience, skills-building workshops, and job coaching throughout the duration of the program. To date, 33 interns have successfully completed the internship program and 28 (85%) have received full-time positions or are in the hiring process.

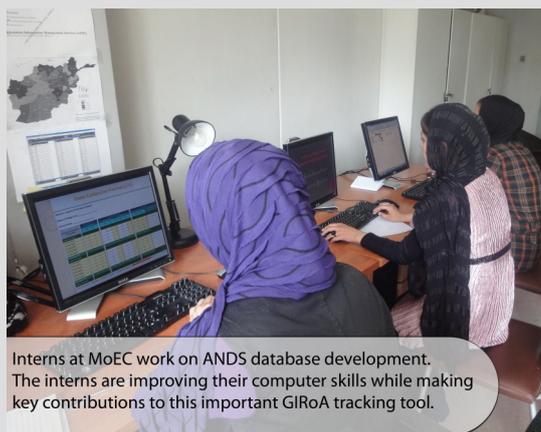
EGGI works closely with GIRoA counterparts to identify the best placement opportunities that will allow the interns to contribute to the goals of their assigned ministries. EGGI conducts a comprehensive assessment of potential supervisors to ensure they are committed to providing professional growth opportunities to the interns and open to providing full-time employment upon successful completion of the program.

EGGI conducts regular monitoring and evaluation of the interns in their assignments at the ministries. Mr. Sroosh, supervisor of the interns at the MoEC ANDS M&E department, is thrilled with the performance and professionalism of the interns. "These women are motivated and do great work," he said. The interns are working to develop a database to track ANDS progress. Mr. Sroosh is teaching the interns about the ANDS to provide a more complete learning experience in addition to working with them to support database development. "It is important the interns understand ANDS. The interns are really helping us and it is my duty to also help

them learn about this important strategy."

### EGGI facilitates workshops for interns to bolster professional development skills

To support capacity building for interns, EGGI incorporates an internal monitoring and supervision system that includes coaching and technical skills development throughout the duration of the internship. Workshop curriculum is based on identified skill development needs. In September, the EGGI Gender Mainstreaming Team facilitated a workshop for WIG interns. The workshop provided interns with the opportunity to participate in interactive capacity building exercises including delivering group presentations, and discussions on the importance of teamwork and networking strategies. EGGI collected feedback from the interns to gauge interest in topics for future workshops.



Interns at MoEC work on ANDS database development. The interns are improving their computer skills while making key contributions to this important GIRoA tracking tool.

### EGGI Internship Program Alumni Statistics:

To date, 33 interns have successfully graduated from EGGI's program. Of the 33, 28 have found full-time jobs or are in the hiring process.

- 11—Interns employed or in hiring process with GIRoA
- 17—Interns employed or in hiring process with the Private Sector
- 5—Interns searching for full-time jobs

# Progress Towards Meeting Objectives

## Component I: Economic Policy

Governor of Herat Province delivers opening remarks at the Ministry of Finance provincial budgeting workshop for five Western Region provinces (Sept 20 – 22)



During the quarter EGGI was closely involved in helping GIRoA cement progress in the various areas of economic policy and public financial management. EGGI's work in budgeting and tax administration directly support GIRoA's goal of fiscal sustainability leading up to the 2014 transition. Members of the EGGI team also presented on Afghanistan's revenue outlook to USG stakeholders, providing analysis on a key fiscal issue.

### EGGI supports MoF to formally launch 1391 budget process

Following successful completion of preliminary budget estimates by all Line Ministries/Agencies in May, EGGI supported the MoF to officially launch the 1391 (2012–13) budget process. The process began with a month-long comprehensive program budgeting training program for all 57 Line Ministries in July. A total of 365 GIRoA civil servants (342 males, 23 females) were trained on topics including an overview of program budgeting reform, completion of budget submission forms, financial and procurement planning, budget execution, and performance reporting.

This program was followed by on-the-job training for assigned budget units in revising program structures and narratives, and costing of operating budgets. This marks the fifth budget cycle that USAID has supported the MoF with delivering program budget reform training and activities across all GIRoA ministries. As GIRoA aims to achieve fiscal sustainability, EGGI will support the MoF to "graduate" 8–10 Line Ministries in early 2012. The goal is to train the ministries' key staff in all aspects of budgeting so that they can prepare their budgets independently according to MoF requirements.

### EGGI supports provincial budgeting workshops

The EGGI provincial budgeting team supported the MoF to conduct two provincial budgeting workshops for five Western provinces in Herat (Sept. 20–22) and two Southern provinces in Kandahar (Sept. 26–28). The three-day regional workshops were conducted for provincial departments of the five pilot Line Ministries (Agriculture, Public Health, Education, Rural and Rehabilitation Development, and IDLG) to provide guidance on preparing new development project proposals for the 1391 national budget process. The workshops combined presentations with facilitated working group sessions in order to provide an overview on the MoF's new provincial budgeting policy approach, and guidance on preparing project proposals aligned with national priority programs and Ministries' program budgets.

Forty-four participants from Kandahar and Zabul attended the Southern Region workshop while 108 participants from Baghdis, Farah, Ghor, Herat, and Nimroz attended the Western Region workshop. For the 1391 national budget process, pilot provincial departments are now required to complete budget circular forms in order to request project funding, the process of which the workshops covered in detail. Following the workshop, the EGGI provincial budgeting team will assist the provincial departments to complete their 1391 budget proposals in line with MoF guidance. A similar regional workshop is planned for October 4–6, 2011 for nine Northern provinces in Mazar.

### EGGI helps integrate STO cases into Herat and Mazar MTOs

During the quarter, the Herat and Mazar MTOs each had 2500 Small Taxpayer Office (STO) cases transferred into their care. The STO cases do not currently fit the MTO threshold criteria but are expected to be worked up to the threshold level of fifteen million AFN in annual turnover. The purpose of transferring the inventory is to balance inventories between all tax offices and to enhance revenue mobilization. However, employees who were transferred to the MTO along with the inventory are not familiar with working with self-assessment taxpayer cases. EGGI has been drafting a training module to train STO employees in basic taxpayer case work (including case management, basic audit, and basic enforcement). Delivery of this training will be in the form of train-the-trainer sessions to be conducted over the upcoming quarter.

### EGGI provides policy support for MoF in key multilateral discussions

On July 30, officials from the MoF met with donor representatives, including from the United Nations (UN), to discuss the status of National Priority Programs (NPPs), which are core components of the Afghanistan National Development Strategy. The MoF reported that 15 out of 22 programs have either been fully designed or are at advanced stages of preparation. EGGI supported the Minister of Finance in his preparation for these discussions, providing policy analysis and research to help inform discussion. The Minister of Finance stressed that the NPPs are a means for transition and that transition itself should not be seen as a series of quick impact projects. The donors reiterated that the existence of an IMF program is crucial for them to be able to continue funding of national priorities.



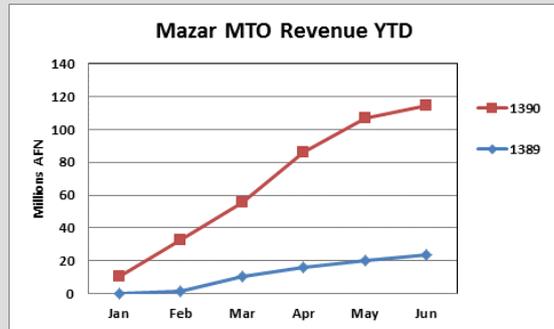
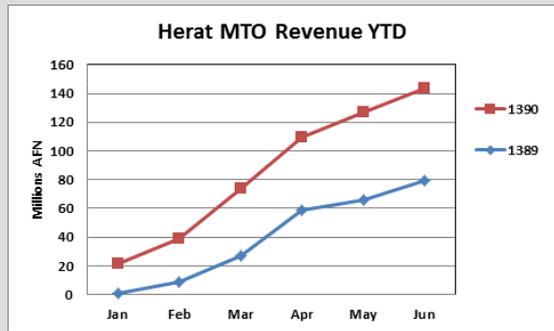
USAID/EGGI advisor assists Academy of Sciences officials to revise their program structure during a three-day MOF training (July 23–25)

# SPOTLIGHT

## MTO Taxpayer Education Efforts Result in Strong Revenue Growth

Six months into the 1390 tax year, the Herat and Mazar Medium Taxpayer Offices (MTOs) are progressing steadily towards meeting their annual collection goals. To date, the Herat MTO has collected 143.9 million AFN, and Mazar 115.6 million AFN. Herat's collection to date constitutes 70% of their annual target of 215 million AFN, and Mazar's current collection figures are also 70% of their annual target of 165 million AFN.\* Monthly revenues are shown in the charts below. Improvements in revenue collection rates reflect the benefits of EGGI's emphasis on managing by revenue statistics, and requiring MTO Directors to target categories of taxes that show reduced collection figures compared to the previous month for focused taxpayer education and outreach programs. Such focused education has significantly improved tax return filing rates, contributing to the additional collections. Herat alone showed improvements in 11 of the 16 reported tax categories (see Table 1 below).

Herat and Mazar MTOs improved tax returns filing rates for the quarter by 34% and 71% respectively (compared to the equivalent period in the previous year) with Herat posting 1,307 filings and Mazar 1,225. The

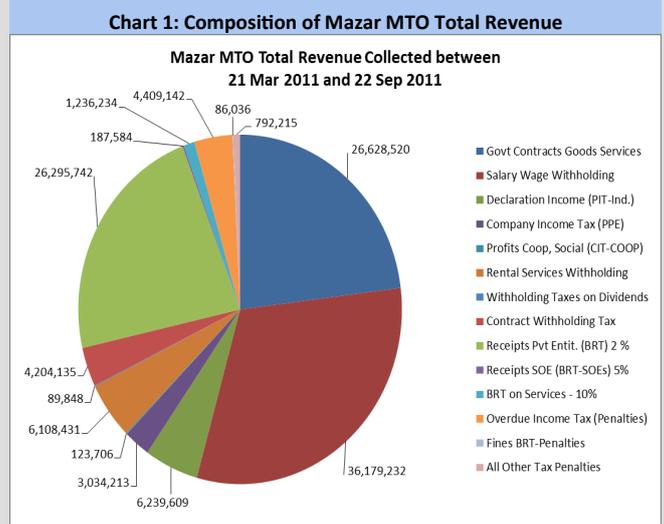


Such insistence brought about the reinstallation of the Taxpayer Service Center in Mazar and additional outreach programs in Herat. The Taxpayer Service Center is the focal point for providing taxpayer education, so it was imperative to have the center in Mazar reinstalled, and while Herat has already excelled in bringing education to taxpayers, EGGI continued to impress upon the MTO Director the importance of continuing his weekly radio programs. Both MTOs have benefited greatly in revenue collections from their willingness to continue taxpayer education.

In September, EGGI supported the Herat MTO to launch a taxpayer education program targeting wedding chapels and private schools in Herat Province. The Herat MTO already Afghanistan in providing taxpayer education, with a weekly radio program that addresses tax issues and answers questions from live callers. This new program provides educa-

tion through seminars and outreach to two segments of taxpayers that are below average in tax compliance. Wedding chapels are historically high income earners and should yield a commensurate level of tax revenues, however compliance in this sector is known to be low. The same is true of private schools at all levels from elementary schools to vocational education institutions.

With EGGI support, Herat and Mazar MTO's targeted employee income withholding tax as an area of collection in need of additional focus owing to periodic highs and lows in collection rates. Emphasis was placed on contacting taxpayers (mainly by telephone) with reminders about filing and paying. This action resulted in a 15% increase between August and September reporting periods for this tax category in Herat (see Table 1 below), and 7% in Mazar (see Chart 1 above). Herat EGGI will continue to provide technical assistance as both offices continue their efforts to improve collections not only in this category but across the range of taxes.



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\*Year on year figures are not available for the Mazar MTO as statistics were not compiled for this tax office until September 2010

**Table 1: Herat MTO Comparison of Revenue Collected between 21 Mar – 22 Sep 2010 and 21 Mar – 22 Sep 2011**

Code	Description	21 Mar - 22 Sep 2010	21 Mar - 22 Sep 2011	Difference	%
11100	Sole Proprietary Traders	0	10,000	10,000	0
11101	Small Shops and Unions	67,500	0	-67,500	-100.00
11104	Money Exchangers	298,406	0	-298,406	-100.00
11105	Govt Contracts Goods Services	1,358,267	810,946	-547,321	-40.30
11200	Employee Wage Withholding	7,252,698	10,896,686	3,643,988	50.24
11201	Declaration Income (PIT)	4,087,172	10,020,596	5,933,424	145.17
11202	Company Income Tax (PPE)	7,352,306	27,664,253	20,311,947	276.27
11207	Rental Services Withholding	1,860,067	2,451,076	591,009	31.77
11213	Contract Withholding Tax	3,210,348	4,271,043	1,060,695	33.04
11303	Sale Movable Property Tax	1,462,228	870,584	-591,644	-40.46
11401	Receipts Pvt. Ent. (BRT) 2 %	45,233,459	72,880,390	27,646,931	61.12
11402	Receipts SOE (BRT-SOEs) 5%	25,044	651,785	626,741	2,502.56
11700	Overdue Income Tax (Penalties)	460,690	2,162,648	1,701,958	369.44
11701	Fines and Penalties - BRT	4,857,672	7,674,471	2,816,799	57.99
11702	All Other Tax Penalties	715,762	1,428,413	712,651	99.57
13343	Sukook Revenue	963,970	184,245	-779,725	-80.89
13348	Broker License Fee	345,000	1,935,000	1,590,000	460.87
<b>Total</b>		<b>79,550,589</b>	<b>143,912,136</b>	<b>64,361,547</b>	<b>80.91</b>

# Additional Areas of Workplan Progress

## Component I: Economic Policy

### Program Budgeting

#### EGGI advisors support BC-2 rollout process

Issuance of the MoF Budget Circular 2 (BC-2) guidance on detailed budget submissions is the next critical step in preparing next year's program budget after the annual July training program. The BC-2 is generally issued by August 15 to provide sufficient time for budgetary units to prepare annual budget submissions by early October for MoF review and approval. Due to ongoing, difficult negotiations between the Budget Committee and the Cabinet on budget ceilings for the next year, the BC-2 was delayed by over a month and issued on September 20. To minimize the impact of the delay, the EGGI program budget advisors assisted their 38 assigned budget units to review and revise their program structures, narratives and begin costing their operating budgets and new activities during August to mid-September. EGGI then worked with the program budget implementation teams to have their revised program structures approved by the Head of the Line Ministry/ Agency before the BC-2 is circulated. EGGI successfully assisted most of the budgetary units to secure approval from their Ministers/ Agency Heads for revised program structures by September 30 prior to the rollout of BC-2 training and formal launching of the BC-2 process on October 1.

#### EGGI delivers orientation to Ministry of Mines personnel

On August 13, the EGGI program budgeting team provided an orientation for 19 Ministry of Mines (MoM) Afghanistan Geological Survey Directors that are engaged in program budgeting for next year's budget process. The orientation provided an overview on why MoM is implementing the new budget reform and gave guidance on reviewing current program budget elements. EGGI also conducted similar sessions on August 8 and 10 for 16 MoM Directors from the General

Administration Directorate and the Regulatory Affairs Department, as well as Policy Promotion Directors.

### Tax Administration

#### Targeted tax outreach results in collection improvements

With EGGI support, Herat and Mazar MTO's targeted employee income withholding tax as an area in need of additional focus owing to periodic highs and lows in collection rates. Emphasis was placed on contacting taxpayers (mainly by telephone) with reminders about filing and paying. This action resulted in a 15% increase between August and September reporting periods for this tax category in Herat (see chart at bottom right), and 7% in Mazar. EGGI will continue to provide technical assistance as both offices continue their efforts to improve collections not only in this category but across the range of taxes.

### Control and Audit Office

#### EGGI finalizes Dari version of CAO Audit Manual

In July, the EGGI Control and Audit Office (CAO) Capacity Development Team completed review of the Dari version of the CAO audit manual, submitting the document on July 1. The EGGI team had worked diligently with CAO management to make adjustments to the manual based on CAO feedback, and socialize the manual with audit managers and staff. The workstream ended on July 15 with the conclusion of the EGGI team's support.

USAID/EGGI Budget Reform Team Lead with Ministry of Information and Culture (MoIC) finance officials after successful completion of the MoF three-day program budgeting training (July 23-25)



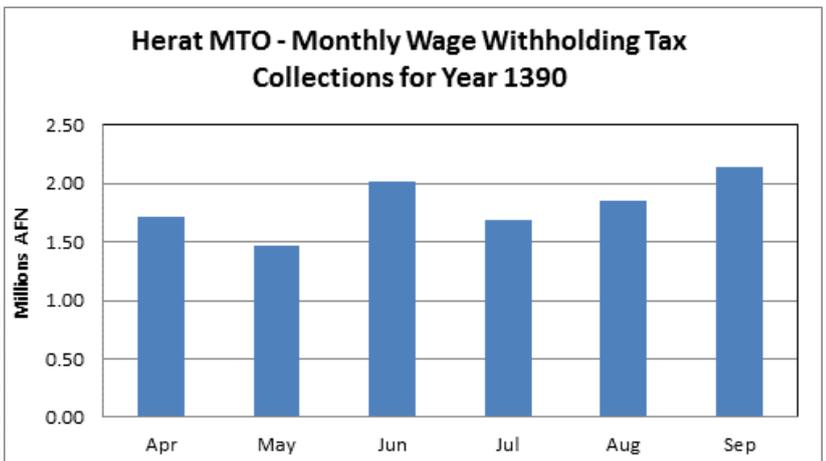
### Policy Support to MoF

#### EGGI delivers presentation on Afghanistan revenues to USAID/US Department of State officials

On September 18, EGGI delivered a presentation on "Revenue Generation in Afghanistan: A Fiscal Sustainability Perspective" to an invited audience including USAID and US Department of State officials at the USAID offices. The presentation analyzed recent and expected future contribution of domestic revenues and tax revenues in particular towards meeting the cost of budget expenditures, how specific issues within the tax and revenue system impact upon revenue collection, and the work being done by EGGI to improve tax collection from provincial medium and large taxpayer offices.



A participant prepares a mock budget circular form during the MoF budgeting workshop held for Kandahar / Zabul provincial officials (Sept 26 - 28)



# Progress Towards Meeting Objectives

## Component 2: Business Enabling Environment

Prior to transitioning operations to the MoCI, in Q4 the workstreams in Component 2 delivered key products and recommendations to keep improving the Business Enabling Environment in Afghanistan. The work conducted this quarter, in collaboration with MoCI counterparts, helped to create a strong foundation from which the EGGI's technical assistance could be successfully transitioned to GIRoA.

### EGGI/DBBI enhances collaboration with MoCI/PSD Directorate

EGGI team further enhanced its coordination with the MoCI/Private Sector Development (PSD) Directorate in anticipation of the workstream's transition. Working closely with the MoCI/PSD Director, EGGI established a consultation agenda for existing DBBI working groups and continued to engage MoCI/PSD counterparts in consultations regarding operations of the DBBI initiative. In addition, EGGI worked with stakeholders (GIRoA, private sector, and donor) to provide an end-to-end reform process in order to mitigate the challenge of fully transitioning DBBI efforts given capacity constraints in the MoCI PSD Department. This process built on the work that EGGI has led since December 2010; the next steps for MoCI/PSD will be to engage stakeholders, identify the reform process and resource its implementation. EGGI also provided a concept note to MoCI summarizing the structure of the work stream moving forward, and outlining ways to improve coordination between the different donors financing the DBBI initiative. The note proposed creating a PSD hub in the MoCI counterpart office as well as a secretariat to harmonize DBBI efforts.

### EGGI/ACBR team delivers enhanced web application

On Sep 10, 2011, the ACBR Director approved the EGGI/ACBR team to upload a new ACBR registration web application after testing it online since July 15, 2011 (screen shot at right). The test findings of ACBR staff from Kabul and other provinces were analyzed and incorporated in the new application, ensuring proper functionality. The application contained multiple modules like accessibility from the main interface, a notification module for broadcasting information to all stations, and a minimization of required internet bandwidth in order to improve operations at ACBR offices. This new bandwidth optimization has ensured enhanced performance of the application in all ACBR offices; the comparatively low internet speed needed for the application facilitated the transition from expensive VSAT internet service with dedicated bandwidth to a low-cost DSL internet service with shared bandwidth. Finally, the application enhancements have made it more user-friendly and flexible, reducing the time required to register a new business by approximately 66%.

### EGGI/DBBI identifies improvements to process for starting a business

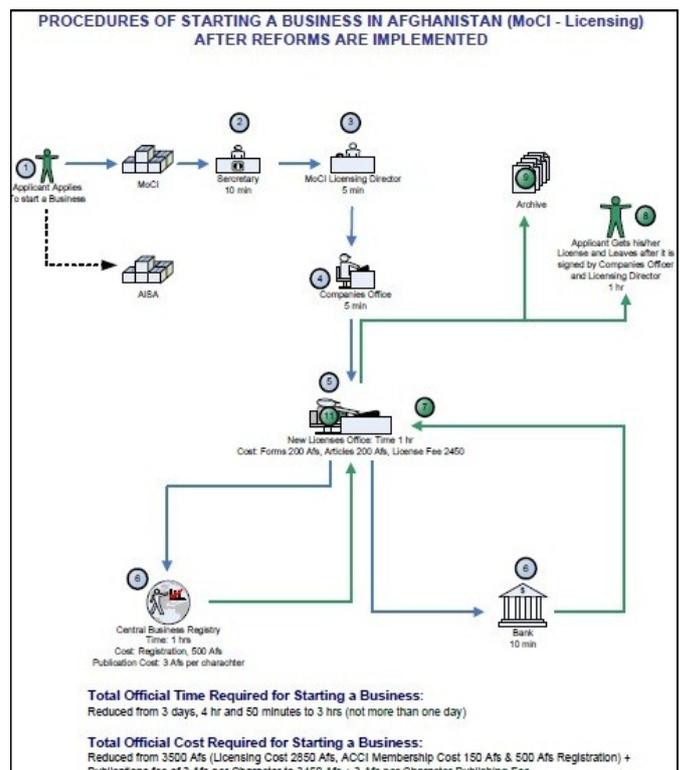
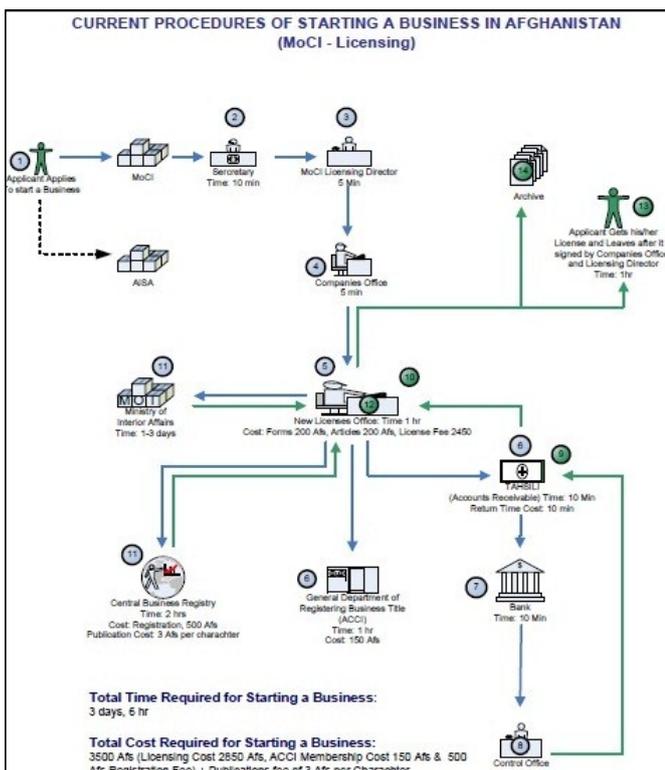
EGGI supported the "Starting a Business" working group to document procedures for starting a business in order to identify steps to remove or simplify in order to streamline the



Screenshot of main ACBR web application interface, including user controls

process. EGGI supported working group representatives and officials from MoCI to meet with relevant GIRoA entities to discuss specific challenges and steps identified as candidates for simplification. Following extensive research, EGGI identified several promising areas for reform, and completed detailed process maps showing the current process and the anticipated process after reforms.

EGGI identified two steps in particular that hinder starting a business and that, if amended, can simplify the process for Afghan entrepreneurs (see diagrams below). The first is the "Criminal Background Check," and second is the "Control" step. The EGGI team discussed the pros and cons of these steps with working group participants, and proposed modifications that retain some of the steps' functions but help streamline the process. Reforming both steps should improve the "Starting a Business" process, and EGGI anticipates that the changes will improve Afghanistan's ranking for this indicator in the next World Bank's "Doing Business" report.



## SPOTLIGHT

## Transitioning the Business Enabling Environment workstreams to the MoCI

*In this quarter, the Business Enabling Environment Component focused on transitioning all technical support and workstreams over to the MoCI, to enable GIRoA counterparts to take the lead of previous EGGI activities. Successful transitions occurred across all three core workstreams - Afghan Central Business Registry (ACBR), Commercial Law, and the Doing Business Better Initiative (DBBI). In the lead up to the transition, EGGI advisors completed final products, reports, and workshops for MoCI counterparts to facilitate the transition, as detailed below.*

#### EGGI completes research work on WB/ IFC Doing Business Indicators

During the quarter, EGGI finished capturing and mapping different processes and procedures concerning the World Bank (WB)/ International Finance Corporation (IFC) Doing Business indicators. As a significant part of the reform agenda, EGGI had to obtain precise information on current procedures within different GIRoA entities that would affect the Doing Business indicators. Due to difficulties pertaining to data-sharing between GIRoA entities and EGGI, the team had to interview different officers to acquire information and then develop process maps based on the interview data. The team then held working group meetings to validate the data and collect proposed changes prior to establishing the final process maps.

As a final deliverable to MoCI, EGGI prepared a document including these process maps as well as a summary of all other research done on the laws, regulations, procedures and licenses impacting Afghanistan's rank in the WB "Doing Business" report. The document also outlines the articles within different laws which need to be amended to improve Afghanistan's rank in the report. Based on the document, EGGI drafted high-level recommendations to be considered for implementation to improve Afghanistan's rank in the three Doing Business indicators of "Starting a Business," "Protecting Investors," and "Closing a Business." EGGI then presented its final research and recommendations at a conference at MoCI on September 28.

#### EGGI/DBBI holds conference and completes workstream transition to MoCI/ PSD Directorate

At the September 28 conference, EGGI invited participation from a wide range of donor community and MoCI stakeholders. The conference was opened by MoCI/PSD Director

Mr. Saeedi. EGGI members then gave a detailed report of the progress DBBI has made since launch of the initiative, and presented the team's research and analysis, DBBI indicator assessments, and high-level recommendations mentioned above. The recommendations formed the focus of the conference, and were a point where all participants exhorted the PSD Directorate to continue the outlined work and follow through on these recommendations. The recommendations cross legislative, procedural, and regulatory topics, and if implemented fully could significantly improve Afghanistan's ranking in the "Doing Business" 2013 report. EGGI also delivered a presentation on the initiation of a comprehensive decision making pyramid within GIRoA, as higher authorities/ institutions within GIRoA are needed to get involved in the process of implementing recommendations and using the research work that EGGI completed. Finally, the conference also focused on the proposed structure for DBBI as it is fully transitioned away from EGGI and put in the hands of MoCI counterparts.

#### EGGI/ACBR transition plan approved, turning over workstream to MoCI/ ACBR Directorate

On August 6, EGGI/ACBR advisors shared a transition plan in work breakdown format with the ACBR Director, to gain his consent before the workstream was materially transitioned to the MoCI/ACBR Directorate. The plan included all activities and deliverables with deadlines that the ACBR Directorate has to take over from EGGI. Consent was then given by the Director on August 15 to begin the transition process. EGGI advisors remained keenly focused on making the transition as smooth as possible and enabling ACBR personnel in the MoCI headquarters and regional offices to run the enhanced ACBR registration application professionally and independently. To this end EGGI has drafted a tutorial manual with video guidelines that can be referred to whenever facing an ACBR operational problem. Additionally, EGGI held multiple training and



EGGI/DBBI team presents final research findings at gathering at MoCI (Sep 28)

brainstorming sessions during the quarter, inviting MoCI/ACBR regional personnel to study the enhanced CBR application in a testing environment. These sessions facilitated a successful upload of the application on September 10, followed by ownership transfer to MoCI/ACBR.

#### EGGI legal team completes transition of documents to MoCI Legal Directorate

Throughout its lifespan, the Commercial Law workstream has substantially assisted the MoCI/Legal Directorate in drafting Commercial laws (including Afghanistan's LLC law, Partnership law, and Mediation law) and regulations (including the Business Registration and Business Naming Procedure regulations). As the conclusion of a general transition plan that has been executed, during Q4 the EGGI Commercial Law workstream handed over all deliverables and materials related to these laws and regulations to the MoCI/Legal Directorate. Deliverables contained hard and soft copies of all drafted laws and regulations, which were worked out in the course of the EGGI legal team's presence in the MoCI.

EGGI/ACBR advisors present a demo version of the enhanced ACBR application to MoCI/ACBR Personnel (July 2)



# Additional Areas of Workplan Progress

## Component 2: Business Enabling Environment

### DBBI

#### EGGI maps “Registering Property” process and indicates potential reforms

During August, the EGGI/DBBI team mapped out procedures of “Registering Property” in Afghanistan. The team had been previously requested by the Registering Property Working Group to assist them in mapping out the current procedures. The effort will provide a basis for analyzing the lengthy process (with as many as 36 time-consuming steps) of registering property in Afghanistan. While direct EGGI support for the effort is ending, subsequent working groups will discuss key areas for reform that the EGGI/DBBI team had indicated.

#### EGGI makes recommendations to AISA licensing process

In developed economies, the cost of starting a business is roughly 5-7% of income per capita—in Afghanistan, it is 26.7%. Licensing costs alone are \$100 USD, \$700 USD, and \$1,050 USD, for small, medium, and large enterprises respectively. For this reason, one of EGGI’s key activities over the quarter was providing recommendations to improve Afghanistan’s “Starting a Business” ranking. Chief among these was to eliminate the Afghanistan Investment Support Agency (AISA) licensing requirement and associated fees; most developed economies cut these steps and only require a business to obtain legal status and register.

While eliminating licensing altogether is the ideal reform, EGGI mapped the current AISA licensing procedures to identify potential reforms to the process. Two reforms that could yield the greatest improvements are: moving from a fixed fee to a menu of fees to reduce the overall cost; and eliminating the fee payment step at AISA so that business owners can submit payment directly to the bank. The diagram below focuses on steps 2-4 of the process, including the payment step at AISA, to show the current procedures and recommended reforms.

The EGGI team recommended eliminating

this fee structure and providing a menu of costs so the licensee can decide if they want to conduct the service themselves. For example, a portion of the fees are allotted for obtaining required signatures from GIROA agencies. Instead of paying AISA directly, the fee could be reduced if the licensee obtained necessary signatures on his or her own. Another reform that would have a positive impact on this indicator is if instead of paying fees to AISA, the licensee paid directly to the bank. This would not only reduce the cost AISA charges, but would also reduce the opportunities for corruption by channeling payments through a formal banking process.

### ACBR

#### EGGI conducts ACBR IT Training

On August 13, EGGI delivered a second training on the new ACBR registration web application to ACBR provincial managers. The improved interface includes upgraded features for data validation, user authentication rights, search criteria, and other management features. In a closed test environment, trainees performed live entries and provided feedback. The training was an opportunity for provincial managers to familiarize themselves with the new application before the official launch. The application was later authorized by the ACBR Director and uploaded to the production environment (see story on page 8).

#### EGGI promotes reforms to business publication fees

EGGI finalized and delivered an Implementation Plan on the “Business Publication Flat Fee Proposed Reform” to MoCI management. Implementation of a flat fee for publication of business registration information in Afghanistan’s Official Gazette is considered an international best practice that will help simplify and streamline business registration procedures. This proposal would transform the current payment structure (3 AFN per

EGGI delivers training to provincial ACBR managers on the enhanced registration application.



character) and streamline business registration through automatic generation of text for the Official Gazette and validation of data for consistency. This change will enhance the performance of the online registration application and is anticipated to expedite the process of registering a business.

Currently, text for the Official Gazette is generated manually via ACBR Entry Officers. The manual process leads to extra spaces, typos, and other errors. Each character of 3 AFN is then processed through a voucher created after the gazette text is finalized. Thus, the prices will vary if created by two different Entry Officers. Automating this process through a standard template and charging a flat fee will streamline these procedures, promote consistency and fairness, and avoid mistakes and redundancy. The gazette text formats and templates that EGGI suggested also deliver meaningful information in a standard format resulting in a more professional publication at less cost.

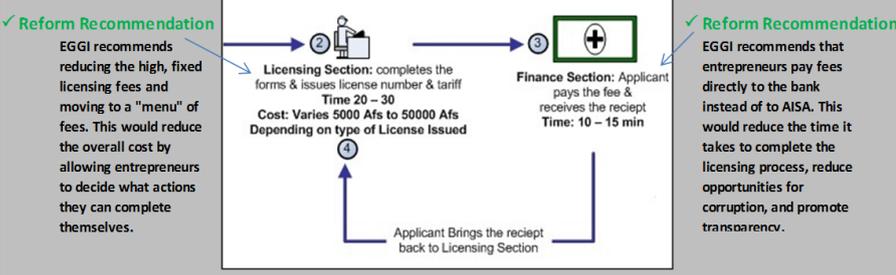
### Commercial Law

#### EGGI’s legal team provides analysis to support DBBI

EGGI conducted research to support the DBBI workstream and developed a summary containing laws, regulations, licenses and procedures affecting DBBI directly and indirectly. The document will enable MoCI to focus on the outcomes of the DBBI working group activities by providing important information required for making decisions. This framework will increase transparency and provide an upward demand for reform. EGGI actively circulated all relevant materials to stakeholders to ensure that they were informed and empowered to contribute to the transition process and the development of the next DBBI phase.

### Recommendations to Reform the AISA Licensing Process

Zoom view of steps 2-4 of AISA licensing process



# Training and Meeting Summary

## EGGI Q4 Training by the Numbers:

**880** GIRoA Counterparts trained

**817** Males

**63** Females

**12** Program/Provincial Budgeting BC-I multi-day workshops

**3** Workshops for EGGI Women in Government Interns



Ministry of Education provincial officials from the Central Region prepare budget proposals during a working group session at the Provincial Budgeting workshop held in Kabul August 14-16.

### Training Analysis

During the quarter, EGGI delivered training sessions to **880 GIRoA counterparts and EGGI female interns (totaling 817 males and 63 females)**. Total “person days trained” (training days divided by discreet sessions, multiplied by total attendees) for all sessions was 2,465. The majority of trainings consisted of staff from all 57 budgetary units trained in how to formulate their annual budgets through the MoF’s annual Program Budgeting training program. EGGI also launched the Provincial Budgeting BC-I trainings for provincial directorates of the five pilot ministries. Training workshops were held in Nangarhar, Bamyan, and Kabul provinces for officials in the surrounding areas. EGGI will continue the roll-out of provincial budgeting training in the upcoming year with training events in Mazar. EGGI also worked closely with MoCI counterparts to transition EGGI’s work at the ACBR, including IT training, and to support the handover of DBBI efforts to the Private Sector Development Directorate. EGGI also conducted three skills-building workshops for current interns of the Women in Government Internship Program.

### EGGI Quarter 4 Training Summary

**Table: Number of Male and Female Stakeholders Trained by EGGI, July through September 2011**

Month	Component	Worksteam	GIRoA Counterparts Trained	Training Topic	Location										Total by Gender			Discreet Sessions	Total Training Days	Person Days Trained
					Kabul		Bamyan		Nangarhar		Herat		Kandahar		Males	Females	Total			
					M	F	M	F	M	F	M	F	M	F						
Jul-11	C-1	Program Budgeting	Less Experienced Ministries from all 57 Budgetary Units	Annual GIRoA Program Budgeting Training Program	244	14	-	-	-	-	-	-	-	-	244	14	258	4	12	774
	C-1	Program Budgeting	More Experienced Ministries from all 57 Budgetary Units	Annual GIRoA Program Budgeting Training Program	98	9	-	-	-	-	-	-	-	-	98	9	107	2	4	214
	C-1	Provincial Budgeting	MoF	Training of Trainers workshop on BC1	12	2	-	-	-	-	-	-	-	-	12	2	14	1	7	98
	C-1	Provincial Budgeting	Pilot ministries: MAIL, MoPH, MoED, MRRD, IDLG	Launch of BC1 training workshop for pilot provincial departments	-	-	42	-	73	-	-	-	-	-	115	-	115	2	6	345
	C-2	ACBR	ACBR	ACBR New Enhanced Application	11	1	-	-	-	-	-	-	-	-	11	1	12	1	1	12
	Cross-Cutting	Gender	Interns	Orientation for new interns	-	10	-	-	-	-	-	-	-	-	-	10	10	1	1	10
Aug-11	C-1	Provincial Budgeting	MAIL, MoPH, MoED, MRRD, IDLG	BC1 training workshop	172	-	-	-	-	-	-	-	-	-	172	-	172	2	6	516
	C-2	DBBI	MoCI/PSD	DBBI orientation and transition training	9	-	-	-	-	-	-	-	-	-	9	-	9	1	1	9
	C-2	ACBR	ACBR	ACBR new enhanced application	5	-	-	-	-	-	-	-	-	-	5	-	5	1	1	5
	C-2	ACBR	ACBR	Maintenance of ACBR host server	1	-	-	-	-	-	-	-	-	-	1	-	1	1	1	1
Sep-11	C-1	Provincial Budgeting	Pilot ministries: MAIL, MoPH, MoED, MRRD, IDLG	BC1 training workshop	-	-	-	-	-	-	106	2	44	-	150	2	152	2	6	456
	Cross-Cutting	Gender	Current interns	Workshop on presentation development	-	10	-	-	-	-	-	-	-	-	-	10	10	1	1	10
	Cross-Cutting	Gender	Current and former interns	Workshop on presentation and business writing skills	-	15	-	-	-	-	-	-	-	-	-	15	15	1	1	15
<b>Totals</b>					<b>552</b>	<b>61</b>	<b>42</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>106</b>	<b>2</b>	<b>44</b>	<b>-</b>	<b>817</b>	<b>63</b>	<b>880</b>	<b>20</b>	<b>48</b>	<b>2,465</b>

# Looking Ahead: EGGI Objectives in Year 3

Comprehensive set of future activities is included in the Year 3 Work Breakdown Structure.

## Looking Ahead: Year 3

### Overall Project Goals:

In Year 3 of the project, EGGI will continue to work towards strengthening the GIROA's capacity to develop and implement sound economic policy and public financial management at the national and regional levels. EGGI will also continue its success gained in gender mainstreaming with the Women in Government (WIG) internship program.

### Policy Support to the MoF

EGGI policy support activities in Year 3 will center on the topics of economic and fiscal policy, and revenue and tax policy. EGGI will aim to provide support in developing capacity of the Fiscal Policy Unit (FPU) staff in data analysis and forecasting, using economic models, and analyzing budget execution actions. EGGI will also participate in and/or contribute to key working groups related to fiscal and tax policy. Finally, EGGI will provide targeted analysis on core fiscal policy issues.

### Budget Reform

EGGI will continue assisting GIROA to implement program budgeting reform across the government, with trained national advisors embedded in 38 budgetary units. These advisors will provide ongoing technical assistance, coaching, and mentoring to build capacity of civil servants in program budgeting. Tasks completed with the units will include developing program budget requests, improving procurement and financial planning, and performance monitoring and reporting in select ministries. EGGI will also continue the MoF's pilot program with 19 budgetary units to assist with quarterly performance monitoring reporting and financial planning and performance monitoring reporting; two mobile teams of program budgeting staff will also be created to assist units with reform initiatives in these core areas. Finally, EGGI will work with MoF to prepare 5-6 Line Ministries in-

involved in program budgeting reform for at least four years to "graduate" from EGGI permanent technical assistance.

In provincial budgeting, EGGI will continue to support the 5 pilot Line Ministries and their directorates to complete their detailed budget submission for year 1391 and support the MoF to expand the pilot for up to five additional Line Ministries for year 1392. EGGI will support the MoF to conduct three-day regional workshops to train pilot line directorates in provincial budgeting and then provide follow up assistance in developing budget proposals in line with MoF guidance for year 1392. EGGI will also strengthen its regional coordination of the MoF provincial budgeting by appointing two national staff as regional coordinators assigned to the 1) Northern and Western provinces; and 2) Central, Eastern and Southern provinces.

### Tax Administration

EGGI will continue to provide technical assistance to support MTO and LTO operations in the revenue-generating provinces of Herat, Mazar, and Jalalabad. Additional training and support will be delivered for LTOs who are just starting to receive EGGI assistance. EGGI will also provide support in delivering basic and functional management training for all Afghanistan's LTO and MTO managers in Kabul and provinces where LTO and MTO offices are located. Taxpayer service including taxpayer outreach programs, audit, and enforcement will be critical factors of LTO and MTO development, as these form the core elements of successful tax administration.

Another activity will be EGGI's support of the development of the new MTO in Kandahar. EGGI will utilize the services of a CCN employee to provide tax administration support in Kandahar and support successful establishment of the MTO.

### EGGI Objective:

*"The goal is to strengthen the GIROA's capacity to develop and implement economic and regulatory policy and improve the enabling environment for the private sector to flourish."*

### Expected Results:

*"The overall expected result through EGGI is that Afghanistan adopts and implements a comprehensive and consistent economic reform program that creates a favorable environment for development of private sector business within a market economy."*

### Gender Mainstreaming

Going into the first quarter of Year 3, EGGI will significantly expand the Women in Government Internship program. EGGI plans to double the number of current graduates by cycling 60 new interns through the program. Additionally, EGGI is strengthening the program's emphasis on capacity building and learning by standardizing the interns' training curriculum and offering three formal skills-building workshops to each class of interns throughout the duration of the internship program. EGGI will also hold weekly working group meetings with the interns to offer guidance and support on their assigned activities, and will require interns to work together on side projects. The Gender Mainstreaming team will work to emphasize the importance of networking and will hold quarterly connectivity events for current and former interns.

EGGI's Ferishta Stanekzai speaks to Women in Government (WIG) interns at a skills-building workshop (Sep 28)



USAID/EGGI advisor explains how to complete budget circular forms for development project proposals during a visit to Logar Province

## Component 1: Economic Policy

### Budget Reform

The rollout of the provincial budget reform pilot training and technical assistance was significantly challenged due to delays in funding for training workshops by UNDP. Initially, the MoF provincial budget unit had planned to conduct the eight regional workshops in June/July and to assist the pilot provincial line directorates (total 170) to prepare development project proposals for Budget Circular 1 by mid-August when the BC-2 was scheduled to be circulated to budget units. Delays in funding pushed back the training schedule by two months with six of the regional workshops delivered by the end of September and two remaining to be conducted in early October. Additionally, the level of effort required by EGGI provincial budgeting officers to assist line directorates in preparing BCI submissions was substantial and involved multiple visits to line directorates, numerous phone calls and emails. EGGI currently has six provincial budgeting officers on board and plans to hire and train an additional six officers in November. Additional staffing will help to address providing the level of effort required

to assist train and provide follow up technical assistance to provincial line directorates in preparing BCI submissions for Line Ministry and MoF review and approval. EGGI will also offer to assist the MoF in development of the annual training plan for 2012 to improve advance planning for next year's pilot provincial budgeting activities.

### Tax Administration

The inability for the EGGI international advisor to travel to the provinces has negatively affected delivery of services for some time. Critical on-the-ground services and advice are not been delivered to any province and are especially needed in Jalalabad where the MTO has not yet become fully established with all its functions. The advisor intends to address this challenge with limited travel to Herat and

EGGI's DBBI Advisor presents the current procedures for Voluntary Closing a Business during the "Closing a Business" working group meeting on August 28.



Mazar in Year 3 to service those two provinces, and transporting Jalalabad tax officers to Kabul for management and functional training, as well as to Mazar and Herat, where specialist functional training will be provided.

## Component 2: Business Enabling Environment

Work on Component 2 workstreams ended on Sept 30, 2011, obviating any challenges for EGGI Year 3. However, several of the challenges faced within the Component are instructive in explaining work results from Year 2, and as lessons learned for the future.

### DBBI

The lack of a strong organization structure and authorized decision making body made the work for the DBBI team less productive as the team could not go beyond its research and help implement the recommendations it presented. This also contributed to dissatisfaction felt from sister projects who work on "Trade Across Border" and "Registering Property" indicators. As a response, in a concept note EGGI proposed a clear and practical structure for DBBI to involve authorities as the initiative is executed by the MoCI/PSD Directorate.

### Commercial Law

Institutional weaknesses in the MoCI Legal Directorate created major challenges for the EGGI Commercial Law team. The position for the Head of MoCI's Legal Directorate is vacant, and MoCI also lacks a Legal Advisor, as that position was removed from the MoCI organizational chart earlier this year. Without a counterpart to champion EGGI-supported initiatives, progress on topics related commercial law initiatives may be limited. It is unclear when another Head of MoCI's Legal Directorate will be hired.

As noted elsewhere in this report, EGGI worked closely with MoCI to ensure that MoCI's legislative priorities were submitted to the Ministry of Justice (MoJ) Department of Taqin for the year 1390, and reflected the full range of MoCI's current initiatives, including those which EGGI has supported.

However, the draft legislative agenda disseminated by MoJ does not reflect any of the EGGI supported legislative initiatives. Further progress on these initiatives may not be possible without senior level intervention from MoCI, which could affect other EGGI workstreams in the upcoming year.

## Gender Mainstreaming

### Women in Government Internship Program

EGGI will expand the Women in Government Internship Program in the upcoming year by offering positions to 60 recent female graduates, incorporating more formal training and internal requirements, and adding an element of volunteerism. This level of growth will require dedicated oversight by project management in the next few months as the program is formalized, which may pose a chal-

lenge given resource constraints. EGGI is also looking to find new internship slots in GIRoA that align with technical assistance areas. At the MoF, EGGI has had challenges in placing interns in the FPU, although opportunities to get interns more involved in budgeting look promising. Additionally, effort and attention to the development of the interns requires constant monitoring by EGGI as well as ensuring the interns have valuable experiences in the

ministries. EGGI is overcoming these challenges by instituting a needs assessment survey with potential GIRoA supervisors, developing strong relationships with the GIRoA supervisors, and developing capacity of local staff to manage the program independently with less international advisor oversight.

## EGGI Counterpart Meetings

In Q4, EGGI held:

- ◆ 104 meetings with Component 1 GIRoA counterparts and stakeholders
- ◆ 34 meetings with Component 2 GIRoA counterparts and stakeholders

To view additional meetings and training details, click [here](#) to access the data on the portal.



**EGGI interns participate in a workshop sponsored by EGGI's Women in Government Internship Program. The workshop, held on September 28, focused on enhancing basic office skills through targeted trainings in presentation development and delivery, and business writing 101. Through the internship program, EGGI supports women's empowerment, which is strongly linked to economic growth and the overall achievement of USG objectives in Afghanistan.**

### USAID/EGGI

Shash Darak  
Kabul, Afghanistan

[www.eggi.af](http://www.eggi.af)

## Dedicated to Economic Growth

**EGGI** is a program led by the **U.S. Agency for International Development** to help Afghanistan create a favorable environment for private sector growth. EGGI is comprised of a diverse team of economists, commercial lawyers, development experts, and sector specialists who work alongside government officials, providing technical assistance and trainings on a daily basis.

