



## AGRIBUSINESS CHARTER (ABC)

### PROGRESS REPORT

**30-12-2020**

## AGRIBUSINESS CHARTER

Unlocking Agribusiness for  
Economic Growth and  
Expanding  
Job Opportunities

COMPREHENSIVE STRATEGY  
AND ACTION PLAN: 2019-2024

Ministry of Finance

Deputy Minister for Policy: Directorate of  
Economic Policies and Programs Analysis

# Agribusiness Charter

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## Acronyms

<b>ABA</b>	Afghanistan Banking Association	<b>MCIT</b>	Ministry of Communication and Information Technology
<b>ABC</b>	Agribusiness Charter	<b>MISFA</b>	Microfinance Investment Support Facility for Afghanistan
<b>ACCI</b>	Afghanistan Chamber of Commerce and Industry	<b>MoF</b>	Ministry of Finance
<b>ADB</b>	Asian Development Bank	<b>MoHIA</b>	Ministry of Hajj and Religious Affairs
<b>AIBF</b>	Afghanistan Institute of Banking and Finance	<b>MoIC</b>	Ministry of industry and Commerce
<b>AMA</b>	Afghanistan Microfinance Association	<b>MoJ</b>	Ministry of Justice
<b>ANPDF</b>	Afghanistan National Peace and Development Framework	<b>MoPH</b>	Ministry of Public Health
<b>ANSA</b>	Afghanistan National Standard Agency	<b>MoPW</b>	Ministry of Public Work
<b>AOP</b>	Administrative Office of President	<b>MRRD</b>	Ministry of Rural Rehabilitation and Development
<b>CAD</b>	Comprehensive Agriculture Development	<b>MUDL</b>	Ministry of Urban Development and Land
<b>CRIDA</b>	Capital Regional Development Authority	<b>NPP</b>	National Priority Program
<b>DABS</b>	Da Afghanistan Brishna Sherikat	<b>OC</b>	Operational Committee
<b>DAB</b>	Da Afghanistan Bank	<b>OMAID</b>	Opportunity for Maximizing Agribusiness Investments and Development
<b>DM</b>	Deputy Minister	<b>PMP</b>	Pest Management Plan
<b>ESIA</b>	Environmental and Social Impact Assessment	<b>PMU</b>	Project Management Unit
<b>ESMF</b>	Environmental and Social Management Framework	<b>PPA</b>	Project Preparation Agreement
<b>EU</b>	European Union	<b>PAD</b>	Project Appraisal Document
<b>FAO</b>	Food and Agriculture Organization	<b>RPF</b>	Resettlement Policy Framework
<b>GoIRA</b>	Government of Islamic Republic of Afghanistan	<b>SC</b>	Steering Committee
<b>HEC</b>	High Economic Council	<b>Sida</b>	Swedish International Development Cooperation Agency
<b>IARCSC</b>	Independent Administrative Reform and Civil Service Commission	<b>UNDP</b>	United Nation Development Program
<b>IP</b>	Industrial Park	<b>UNIDO</b>	United Nation Industrial Development Organization
<b>ITC</b>	International Trade Center	<b>USAID</b>	USA-International Development
<b>MAIL</b>	Ministry of Agriculture, Irrigation and Livestock	<b>WB</b>	World Bank

## Abstract

The Agribusiness Charter (ABC) is the Government of Afghanistan's commitment to this vision for progress, in the service of the Afghan people. It is an inter-ministerial program which coordinates and prioritizes key actions to accelerate agribusiness development in Afghanistan as part of GoIRA growth agenda for transformative change and self-reliance. As third pillar of the Comprehensive Agriculture Development National Priority Program (CAD-NPP), ABC will coordinate and improve the quality and effectiveness of public and private investments in agribusiness and addresses strategic priorities for agribusiness development by establishing agri-industrial parks. To this end, the GoIRA is prepared a new project "Opportunity for Maximizing Agribusiness Investments and Development - OMAID" with support from the World Bank Group. OMAID aims to enhance private sector participation in agricultural value-chains in Afghanistan. This objective is aligned with the Agricultural Roadmap and Afghanistan Agribusiness Charter, adopted in November 2018 by the High Economic Council (HEC). OMAID as one pillar of ABC; development of the agribusiness sub-sector and agri-industry is a top priority.

As part of that, the ABC Secretariat has been responsible to conduct, organize and facilitate meeting in different level among the key involved stakeholders in the ABC and OMAID project for establishing coordination and move forward toward the implementation/operationalization of the charter and OMAID project. To this end, the main purpose of this report is to present the achievements, progress, challenges against the ABC and OMAID project from the ABC Secretariat perspective during the 2020 year and providing solid suggestion for further enrichment and successful implantation/operationalization of the ABC and OMAID project. The report is mainly divided into two parts, ABC and OMAID project.

## Part One

### Agribusiness Charter Progress Report

#### 1.1. Overview of the ABC

The Agribusiness Charter (ABC) is the Government of Afghanistan's commitment to this vision for progress, in the service of the Afghan people. It is an inter-ministerial program which coordinates and prioritizes key actions to accelerate agribusiness development in Afghanistan was approved in Nov 2018 by High Economic Council (HEC) as part of GoIRA growth agenda for transformative change and self-reliance. The ABC marks the first step towards a new vision of a programmatic approach to agribusiness development. This has involved the government, private sector and the donor community undertaking strategic planning for agribusiness development in Afghanistan, and is the first time ministries have committed to working together to address key constraints in the sector, guided by a shared vision.

The ABC is designed to facilitate and improve policy, partnerships and private sector activity in the agribusiness sub-sector, improve effectiveness and transparency in state support for the development of agribusiness, and offer a platform for improved coordination and rural outreach. The ABC has four components, each with sub-sections, activities and a sequenced action plan. As third pillar of the Comprehensive Agriculture Development National Priority Program (CAD-NPP); development of the agribusiness sub-sector is a top priority. Thus, ABC will coordinate and improve the quality and effectiveness of public and private investments in agribusiness and addresses strategic priorities for agribusiness development through the below four strategic and sub-strategic priorities:

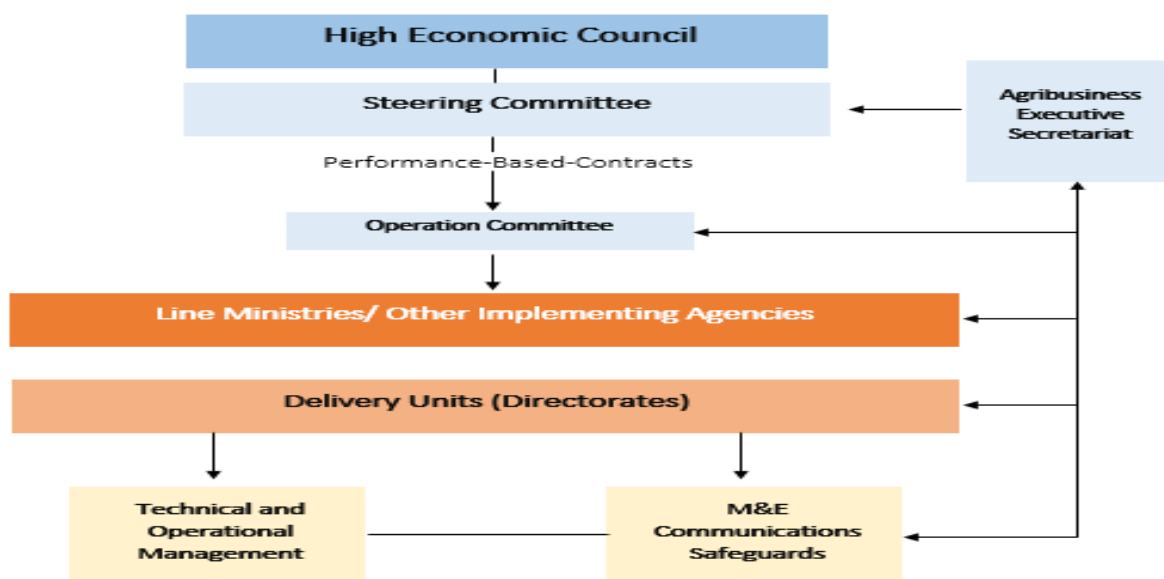
ABC Main Components			
Policy & Regulation	Agri-Industrial Development	Access to Finance	Institutional Strengthening
<div>1</div> <div>Improving the Enabling Environment for Agribusiness</div> <ul style="list-style-type: none"> <li>Food Safety</li> <li>Import Regulation</li> <li>Regulation of IAFP</li> <li>Business Regulation</li> </ul>	<div>2</div> <div>linking production and processing by value chain infrastructure</div> <ul style="list-style-type: none"> <li>Support to farmers</li> <li>Establishment of agro-industrial park</li> <li>Support to businesses</li> </ul>	<div>3</div> <div>Improving financial outreach, and regulatory capacity of DAB</div> <ul style="list-style-type: none"> <li>Developing new loan products</li> <li>Expanding risk sharing facilities</li> <li>Research into agricultural insurance schemes</li> <li>Outreach programs on sharia'a compliant lending</li> </ul>	<div>4</div> <div>Reform and capacity building program for MoCI and MAIL</div> <ul style="list-style-type: none"> <li>Support to research, extension, certification, business development services, industrial parks management , amongst others</li> </ul>

The strategic priorities outline a practical strategy for Agribusiness Charter while, the implementation plan links priority actions to the key action plans and outlines the implementation arrangements and responsibilities. The concept of ABC was first proposed and developed by MAIL and MOIC with the technical support of MoF and World Bank. Overall more than twenty stakeholders are involved in the implementation of ABC, whereas the MoF, MAIL and MOIC are the leading ministries.

To achieve this objective, as a part of the governance structure of the ABC, the ABC secretariat was established at MoF under DM-Policy and the directorate of economic policy and program analysis took the responsibilities of it on the 06-23-1398 to coordinate among different stakeholders.

Moreover, to implement the ABC as part of GoIRA growth agenda for transformative change and self- reliance the following governance structure has been designed:

Agribusiness Charter Governance Structure



## 1.2. Key Stakeholders and Partners

ABC is a multi-institutional framework requiring a strong coordinated approach for the successful implementation of the ABC which includes the following leading, national and internal partners:

**Leading Ministries:** MoF, MAIL, and MoIC

**National Partners:** CRIDA, MUDL, MRRD, MCIT, DAB, MoJ, MoPW, MoPH, MoHIA, IARCSC, ACCI, Universities, ANSA, Supreme Court, AOP, AMA/ABA/AIBF and MISFA

**International Partners:** World Bank, The European Union

### 1.3. ABC Secretariat Planned Activities' Report, 2020

The table below shows progress of 2020 activities:

Objective	Activity	Progress (%)
Overall Progress of ABC	Publishing bi-annual reports on the action plans of Agribusiness Charter	100
Aligning Activities and Avoiding Duplication	Holding donor and stakeholders meetings in order to streamline activities related to agribusiness and avoid duplication of efforts	95
Operationalization of OMAID	Coordinate and facilitate meeting pre-conditions in order to operationalize OMAID	85
Finalizing Feasibility Study	Coordinate with consultancy firms for finalizing feasibility studies of Barikab and Herat Industrial Parks	70
Leading and Guiding ABC Pathway	Holding one Agribusiness Steering Committee meetings	100
Smooth implementation and coordination of charter	Establishment of ABC Operational Committee and conducting their first meeting	100

## 1.4. Key Achievements

### 1.4.1. Alignment Analysis

The ABC Secretariat has calculated the alignment analysis of agriculture sector project of government and donors with the ABC as depicted in the below table:

Partner/ On and Off Budget	Aligned	Partially Aligned	Not Aligned	Total
Government/ On Budget	1	15	17	33
Development Partners/ Off Budget	2	16	16	34

**Additionally, the government contribution and share through National Budget in ABC are as below:**

- For the year 1399 – 6 Projects (1.04 Billion AFN)
- For the year 1400 – 5 Projects (1.47 Billion AFN)

The ABC secretariat has updated and followed up with key partners and stakeholder for their continues involvement in ABC during 10 high level meetings (2 ABC Steering Committees, EU-Meeting 2 times, MAIL 2 times, MoIC 4 times, World Bank 2 times, Inter Ministerial Meeting 1 time, Operation Committee 1 time) which are listed and detailed in the proceeding part:



#### 1.4.2. ABC First Steering Committee 26<sup>th</sup> June 2019

The Afghanistan Agribusiness Charter held its first Steering Committee (SC) on 26<sup>th</sup> June 2019, in *Presidential Palace*. The two-hour meeting at the Presidential Palace in Kabul, was co-chaired by H.E Humayoon Qayoumi (Chair of High Economic Council and Acting Minister of Finance), H.E. Nasir Ahmad Durrani (Minister of MAIL) and H.E Ajmal Ahmadi (Acting-Minister of MoIC). The meeting was well attended by representatives of Government and development partners, including World Bank, ADB, USAID, DFID, EU, FAO, UNDP, UNIDO, Danish Embassy, GIZ, and JICA. MoF was the secretariat to the meeting.

##### Objectives

The objectives of this first SC meeting were to officially launch the implementation of the Agribusiness Charter program framework and discuss ways to strengthen cooperation between the different actors (government, donors and private sector) towards achieving the Charter's vision of ***“a sustainable and competitive agribusiness sector generating economic growth and diversifying employment opportunities, benefiting the Afghan population”***.

##### Key Statements by Development Partners and Discussion Points of the Meeting

The international partners present in the meeting endorsed the Agribusiness Charter initiative and offered to support the implementation of its strategic priorities: (1): Enabling policies and regulations; (2) Agri-Industrial Development; (3) Facilitating access to finance; and (4) Institutional strengthening.

##### The following were highlighted as important factors to ensure the success of its implementation:

- Addressing the barriers to transformation in agribusiness will require working with a wide range of partners. Therefore, efficient coordination amongst MAIL, MOF, MOIC, donors and other institutions is required.
- MAIL proposed that we could consider rehabilitating the existing agro-industrial parks instead of creating new ones.
- At the sector level, the Agribusiness Secretariat, working in partnership with MAIL and MoIC, should catalyze agribusiness development by bringing coherence to the complex landscape of

donors and other actors. The donor community shall align their ongoing and pipeline projects to the Charter's strategic priorities.

- Public sector as a key enabler: Government's role should be as enabler to kick-start the process, shepherd it to scale, and create enabling environment assets and conditions that enable private-sector led transformation.
- Political will remains a critical factor in success of the implementation of the Charter. Efforts should be to build on previous works and lessons learned; ensuring sharing of learnings, transparency of interventions, and accountability to commitments made.

### Key Decision Points Agreed on the ABC First Steering Committee

- A complex sector such agribusiness evolving in a fragile landscape requires establishing the right platform and supporting capabilities to drive coordination and to eliminate overlap and maximize value for money for all investments. Therefore, MoF, in partnership with MAIL and MOIC will work to coordinate strategies and resources across the sector. This will be achieved through the Agribusiness Secretariat established within MoF. The Secretariat should include representative from MAIL and MOIC.
- The Agribusiness Secretariat was tasked to coordinate with relevant entities and institutions and ensure on-going and upcoming investments in the agribusiness sector in Afghanistan are in line with the Charter's strategic priorities.
- The SC meeting advised the Agribusiness Secretariat to form an operational committee to discuss operationalization of the Charter. The committee should include representatives from the Secretariat, MAIL, MOIC, relevant donor community and other relevant entities. It was suggested that this operational committee should be keep at a manageable number to facilitate decision makings.
- The Agribusiness Charter SC meetings will meet at least twice a year. However, it was suggested that the next steering committee meeting should be held in August after JCMB. The Secretariat was instructed to work together with MAIL and MOIC on specific indicators to measure the success/progress of the Charter's activities.
- The Agribusiness Secretariat should review the table on the financing of the Charter and include the government's contribution (co-financing or parallel financing).

- Over the next few weeks, the Agribusiness Charter Secretariat should work with all partners to provide updates on progress, incorporate their feedback and ensure their continuous involvement.
- The partner should designate a technical focal point with whom the Agribusiness Secretariat can interact to obtain the information needed for operational coordination.

#### 1.4.3. ABC Second Steering Committee 19th December, 2020

The Afghanistan Agribusiness Charter held its Second Steering Committee (SC) on 19<sup>th</sup> December 2020. A two-hour meeting at the Ministry of Finance in Kabul, was chaired by H.E Abdul Hadi Arghandiwal (The Minister of Finance), co-chaired by H.E. Anwarulhaq Ahadi (Minister of MAIL), and H.E Naser Sediqee (Acting- DM policy of MoF). The meeting was well attended by representatives of Government and development partners including MoF, MAIL, MoIC, WB, EU, ADB, MOJ, MRRD, Australian Embassy, Danish Embassy, FAO, GIZ, DABS, Swedish Embassy, ITC, DAB which was hosted by MoF, DM-Policy, ABC Secretariat.

#### Objectives

It was the 2<sup>nd</sup> SC proceeding high level meeting to the 1<sup>st</sup> SC launched the implementation of the ABC on 26<sup>th</sup> June 2019. The objectives of the 2<sup>nd</sup> SC meeting were to discuss officially the achievements of 1<sup>st</sup> SC's decision, challenges, and suggestions to further accelerate and strengthen cooperation between the different actors (government and donors) towards achieving the Charter's vision of ***"a sustainable and competitive agribusiness sector generating economic growth and diversifying employment opportunities, benefiting the Afghan population"***.

#### Key Statements by National and Development Partners and Discussion Points of the Meeting

The international partners present in the meeting highlighted the following as important factors to ensure the success of ABC implementation:

- Emphasized on the importance of agribusiness for economic development in terms of jobs creation, diversification, exports and poverty reduction in Afghanistan.
- Moving from a primarily concentrated agriculture to more industrialized and business oriented agriculture sector which will only be possible through ABC framework and aligning agri-industrial production with value chain and consumer demand of domestic and international markets.

- Industrialization of agriculture sector through OMAID project, improved policy, partnerships and cooperation, effectiveness, alignment of projects and improvement of agriculture sector need to be achieved as part of ABC goal.
- Requested all partners especially MAIL and MoIC to be actively get engaged, otherwise we will lose 17-million-euro contribution of the European Union and many more opportunities in the sector.
- Appreciated the efforts by partners and also indicated that the level of efforts should be doubled and expedited by all partners. Meanwhile, the technical task force should be established within the ministries and the ABC SC committee should be held twice a year.
- Move faster by extending and building not only one-person contact but also establishing a committee or technical taskforce in the MAIL that will enable us to move at an accelerated pace.
- Requested the donors to ensure continuity of programs such as NHLP that will end soon or its alternative projects which will have big return and are critical to the success of the Charter

Furthermore, the **H.E Acting DM Policy Naseer Sediqee (Co-chair) Present the following agenda point to be discussed and presented in the Meeting:**

1. ABC Introduction and reporting on 1st steering committee's decision
2. Share of partners on funding and alignment of development projects with ABC
3. Information about financial support of EU to OMAID project
4. Importance of up-coming OMAID mission in January, world bank
5. Information about OMAID project's progress and reports on inter-ministerial meeting's decisions

#### Key Decision Points Agreed on the ABC Second Steering Committee

1. Supporting the ABC Secretariat and expediting the recruitment process of the below positions for the ABC Secretariat in coordination and support of World Bank (deadline: three to four next months).
  - a. Who will closely work with the Secretariat & operational committee
  - b. Addressing technical issues and decision follow up of the SC
2. Supporting the ABC Secretariat and expediting the recruitment process for the ABC Secretariat with in coordination and support of world bank (deadline: three to four next months).
  - a. Recruitment of Secretariat Head
  - b. Recruitment of One international consultant which will work for all three key ministries in ABC

- c. Recruitment of 7 dedicated national senior level staff to focus on key areas of agribusiness charter
  - d. Providing necessary office equipment and space by MoF for ABC Secretariat
- 3. Operational Committee
  - a. Authorization and delegation of technical decision making, technical task and follow up to the operation committee. Delivery unit of each ministry will work on his own tasks which will be specified by operational committee.
  - b. Quarterly Meeting – Quarterly Reporting
  - c. Next meeting will be held on January 2021
- 4. Steering Committee should be organized twice a year.
  - a. 3<sup>rd</sup> Steering Committee will be held on late June 2021 (3<sup>rd</sup> week of June)
  - b. 4<sup>th</sup> Steering Committee will be held on beginning of December 2021
- 5. OMAID
  - a. An agreement should be finalized with MoF and WB till 2nd quarter of 2021 when to start the operationalization of the OMAID
  - b. MoF should follow up with EPTISA and assure to deliver tasks on-time through conducting meeting, otherwise if EPTISA couldn't deliver task, a parallel process of procurement of another firm will be start by all three ministries in close coordination with OMAID PMU (Deadline: Mid of January 2021)
  - c. Full preparedness for the upcoming WB Mission by all partners specifically MOIC (Deadline: mid of January 2021)
  - d. Extension of Eco-Conserve contract with “no cost extension” feature, for upcoming two months to complete the remind Social Studies.
  - e. The OMAID Project Manager and Site Engineer contracts will be renewed for 2021 year; all other positions in case of need will be re-announced (Deadline: Re-announcement of position will be start as soon as receive World Bank NOL and expected to receive World Bank's NOL till end Dec 2020)



#### 1.4.4. Inter-Ministerial Meeting on the OMAID Project

The Inter Ministerial Meeting on the OMAID Project was held on 10<sup>th</sup> October 2020. A two-hour meeting at the Ministry of Finance in Kabul, was chaired by H.E Abdul Hadi Arghandiwal (The Minister of Finance), co-chaired by H.E. Nesar Ahmad Ghoryani (Minister of MoIC), and H.E Ismail Rahimi (Acting-DM Administrative of MoF). The meeting was well attended by representatives of Government and development partners including MoF, MAIL, MoIC, WB, and OMAID Project's PMU which was hosted by MoF, DM-Policy, ABC Secretariat.

#### Objectives

The objectives of the Inter Ministerial Meeting on the OMAID Project was to discuss officially the challenges, progress, and suggestions to further accelerate and strengthen cooperation between the different actors (government and donors) towards achieving the pre-condition of the OMAID project and move toward the implementation phase of the project.

**The following points were discussed in the meeting:**

- Feasibility Study of the Barikab Park
- Social and Environmental Study of the Barikab Park
- Project Appraisal Document (PAD)

## Key Statements by National and Development Partners

The national partners present in the meeting highlighted the following as important factors to ensure the success of ABC and OMAID project implementation:

- OMAID project is golden opportunity and vitally important for the agribusiness and sustainable growth of the country's economy.
- The participant called for strong coordination and commitment among stakeholders in order to solve problems and complete the preconditions of the OMAID project PPA.
- Solving the social problem of the Barikab Park is partially solved and require more cooperation on the field.
- Completing 12 pre-condition for the establishment of industrial park is crucial
- The ownership of this project belong the Afghanistan government, thus contribution and active participation of the involved state agency is vital in the stocktaking.
- Routine changes in the focal points can lead to further stagnation of PPA.
- The upcoming WB mission is important to discuss the changes, concern and the design of the project.
- Presence of the contracted consultancy (Eptisa) in field is important to complete the feasibility study of the Barikab Park.
- Establishing operation committee will further contribute to discuss the technical issues of the ABC.
- Coordination for financing of the Charter and include the government's contribution (co-financing or parallel financing).

## Key Decision Points Agreed on the ABC Second Steering Committee

- Feasibility Studies Barikab Industrial Park
  - Solving visa issue of the contracted consultancy and their presence in the field for completing the FS
- Social and Environmental Studies of the Barikab Industrial Park
  - Preparation of the Inventory list by MoIC and sharing it with the consultancy to complete the Social and environmental studies of the park
- Project Appraisal Document
  - Involved ministries should provide all the necessary information to the WB in order to complete the PAD of the project within 6 months

- Introducing permanent and technical representative to the ABC Secretariat by all involved ministries and stakeholder to the OMAID project
- Sharing and reporting weekly and monthly report of the OMAID project with ABC Secretariat
- Serious attention, strong commitment and active participation of all stakeholders in order to meet the preconditions and achieving the project goals
- The ABC Operation Committee is established from this moment and should start its meeting to follow the technical issues related to ABC and OMAID project
- Support of the World Bank from ABC Secretariat and OMAID Projects PMU



#### 1.4.5. ABC First Operational Committee

The Afghanistan Agribusiness Charter Operation Committee (OC) was on 28<sup>th</sup> Oct 2020, in *Ministry of Finance*. The two-hour meeting was chaired by Directorate General, Programs and Policies Analysis Sayed Awlia Hashimi Co-chaired by Andalib Mushtary (Director of Economic Policy and Program Analysis) and the meeting was well attended by representative from MAIL, MoIC and World Bank.

The ABC first OC was established and convened according the ABC First Steering Committee Decision in the Inter-Ministerial Meeting of the OMAID project held on 10<sup>th</sup> Oct 2020.

#### Objectives

The main objective of the ABC 1st Operational Committee was to discuss critical, technical, and implementation issues of the ABC and officially launched its first meeting on the following discussion points:

1. Finalization of the operational committee ToR



2. Discussion on the appoint of the new and required members of the operational committee
3. Discussion on the ABC indicators tracking sheet and measuring the success of charter
4. Pursuing the decisions of the ABC First Steering Committee
5. Finalizing the convention date of the ABC 2nd Steering Committee
6. Pursuing the decisions of the Inter-Ministerial Meeting of the OMAID project
7. Discussion on sharing on-going and upcoming on & off-budget project's list for aligning with ABC

#### Key Decision Points Agreed on the ABC First Operational Committee

- The MAIL, MoIC, and the WB share their views, comments and feedback on the above six issues with the Secretariat until November 5, 2020
- The MAIL, MoIC, and the WB prepare a separate presentation about the progress achieved in the ABC and present it in the ABC 2<sup>nd</sup> Steering Committee
- Organizing and conducting separate meetings at the end of each week between MAIL, MoIC and MoF to prepare and coordinate for the ABC 2<sup>nd</sup> Steering Committee and also the technical teams in the relevant ministries report weekly on the progress of the decisions made in the ABC 1<sup>st</sup> Steering Committee.
- The Ministry of Industry and Commerce has to share a 6-month action plan for completing the pre-conditions and starting the implementation of the OMAID project with Public-Private Partnership and Secretariat OMAID project and seek to deliver it on the WB Mission. In addition, they should seriously follow up other decisions of the inter-ministerial meetings
- The ABC 2<sup>nd</sup> Steering Committee Meeting will be held on November 20. In case of postponement, it will be set for December 10, 2020.
- Delivery Unit must be established in the MoF, MAIL, and MoIC using their own governmental human resources to follow up the decision of the Operational Committee and Steering Committee and submit weekly / monthly reports to the Operational Committee focal point.

#### 1.5. Challenges

- Lack of specific technical experts in the Secretariat and also in line ministries, weak support and responsiveness
- Lack of ownership of the ABC from line ministries
- Presidential election in 2019
- Covid-19 pandemic
- Priority to SOM Conference and development of the ANPDF-2

- Poor contribution, commitment and insufficient attention of the stakeholders at multiple levels may undermine both the ability and will implement the ABC in a timely manner, resulting in reduced impact.
- Capacity constraints – underqualified staff and teams lacking capacity to perform.

## 1.6. Suggestions

It is necessary to ensure that linked activities are properly coordinated, especially the investment components. In order to map out and coordinate progress in achieving the work plans, a dedicated coordination team is required. In particular, it is necessary to ensure the following functions are performed:

- Strong and efficient coordination and cooperation of all involved stakeholders with MoF, ABC Operational Committee and Secretariat in order to achieve the alignment of on-going and up-coming on & off-budget projects with ABC
- Strong commitment, on-time response and active contribution from all involved partners
- Establishment of task force (Delivery Units) in key line ministries from their own resources
- Providing support and resources (human and office equipment) for secretariat and OC (probably 1 Int. Consultant and 7 NTA experts)
- All technical issues and responsibility of the ABC should be referred to the ABC operation committee, while the
- All partners and stakeholders are requested to share list of their projects in agriculture sector for alignment analysis with ABC secretariat
- We request all stakeholders and donors to align their agriculture sector programs and projects with ABC.
- Coordinate and supervise the implementation of the ABC's action plans together with the line ministries and other relevant institutions to ensure consistency, track progress, and advise on changes and corrective measure to achieve results.
- Ensuring the ABC is funded. This means using existing budget sources, and fundraising to fill gaps.
- Ensuring timely implementation, and identification of delays or challenges
- Ensuring access to executive decision-making to solve problems

- Prepare regular reports, coordinate strategic communications, and ensure sound financial management practices are implemented.
- Support and reinforce the ministries and agencies responsible for implementation. It will do this by supporting financing, donor coordination, and inter-ministerial coordination.
- In addition, the AES will utilize the policy-to-budget function of MoF to effectively coordinate financing of the ABC to make sure all priorities receive funding, while also tracking spending in accordance with the work plan.

### 1.7. Success Factor of ABC

The ABC is a set of tasks which ministries have committed to including reforms, regulatory/procedural adjustments, and delivering programming (existing funding and new investments). Knitting together different teams towards shared goals is very difficult, especially in fragile states and during political upheaval. The inter-ministerial coordination and implementation arrangements for the Agribusiness Charter will determine its success.

## Part Two

### Opportunity for Mobilizing Agribusiness Investment and Development “OMAID” Project

#### 2.1. Overview

Recognizing that agriculture/agribusiness development are crucial for inclusive growth and jobs creation, the Government of Islamic Republic of Afghanistan (GoIRA) is committed to a program of renewal and strategic long-term investments in this sector. To this end, the GoIRA is prepared a new project “Opportunity for Mobilizing the Agribusiness Investments and Development - OMAID” with support from the World Bank Group. OMAID aims to enhance private sector participation in agricultural value-chains in Afghanistan. This objective is aligned with the Agricultural Roadmap and Afghanistan Agribusiness Charter, adopted in November 2018 by the High Economic Council (HEC). OMAID as one pillar of ABC; development of the agribusiness sub-sector and agri-industrial is a top priority.

#### 2.2. Objectives

Thus, OMAID’s development objective is to improve agribusiness value-chain infrastructure and increase value addition in Afghanistan. This objective is fully aligned and contributes to the Agribusiness Charter’s vision which aims at achieving a sustainable and competitive agribusiness sector, generating economic growth, diversifying markets, and creating employment opportunities and addresses strategic priorities for agribusiness development through the below four strategic and sub-strategic components:

Component 1 (US\$ 22.5 million)		Component 2 (US\$ 142.5 million)		Component 3 (US\$ 10 million)	
1	Improving the enabling environment for agribusiness development	2	Support for the development of a market-oriented agri-food supply chains	3	Project Management
	<ul style="list-style-type: none"> <li>Establishing the overall governance and implementation of the Agribusiness Charter (US\$ 5 million)</li> <li>Capacity development of MoIC Directorates supporting agribusiness agencies and SMEs (US\$ 7.5 million)</li> <li>Capacity development of the MAIL</li> <li>Addressing food safety and sanitary and phytosanitary issues (US\$ 6 million)</li> </ul>		<ul style="list-style-type: none"> <li>Investing in critical and resilient agri-industrial infrastructure (US\$ 90 million)</li> <li>Supporting agribusiness investments in the IAFPs' broader catchment areas (US\$ 47.5 million)</li> </ul>		<ul style="list-style-type: none"> <li>the establishment of a Project Management Unit (PMU)</li> <li>Establish a Contingent Emergency Response Component (CERC)</li> </ul>

The above components outline a practical action plan for OMAID project and Agribusiness Charter while, the MOIC, World Bank, MAIL and MoF are the leading entities involved in the project implementation.

OMAID Activities-Report-2020						
Key Action	Responsible	Achieved	Progress	Pending	Total	Remarks
Barikab IP Feasibility Study	PPP/Eptisa	6	0	9	15	Eptisa is failed to deliver activities and reports according to the TOR Quality of Reports is not Satisfactory
Environmental & Social Impact Assessment (ESIA) of Barikab	PPP/Eco-Conserve	2	1	0	3	Eco-Conserve requested for contract extension to complete RAP report
Frameworks (ESMF, RPF, and PMP) of Barikab	MAIL/Dynamic Vision	3	0	0	3	Completed
Private Sector Investment at Bariakb (Land Distribution Process)	MoIC/PMU	3	5	0	8	
OMAID-PMU Procurement	Secretariat	2	1	0	3	Salary and Petty cash is done but Stationary is in process at MoF
Balkh - Durahi Hairatan IP	MoIC/PMU	2	0	1	3	IP report& land transferred achieved but FS is pending
Nangarhar - Hesar Shahi IP	MoIC/PMU	2	0	1	3	IP report& land transferred but FS is pending
Kandahar (Nasaji Enterprise) IP	MoIC/PMU	2	0	0	2	IP report& land transferred achieved
Herat - Alternative Phase IP	MoIC/PMU	1	1	0	2	land transfer is in progress
Barikab IP Follow up by MoIC	MoIC/PMU	2	9		11	Security, social issues, land sketch, boundary wall,
<b>Total</b>		<b>25</b>	<b>17</b>	<b>11</b>	<b>53</b>	
<b>Overall Performance (Percentage)</b>	<b>Achieved</b>		<b>Progress</b>		<b>Pending</b>	
	<b>47.1%</b>		<b>32%</b>		<b>20.7%</b>	

## 2.4. Challenges Ahead of OMAID Project

- Covid-19 and Quarantine
- Barikab Social Issue
- Eptisa (contracted consultancy) has failed to improve the quality of deliverables, timeliness, and the submitted reports are not in accordance to the TOR of the Feasibility Study of Barikab Industrial Park.

## 2.5. Suggestions

- Funding source is required to start feasibility studies of Dorahi Hairatan & Hesar Shahi feasibility study
- The WB agreement on the other sites (Nasaji Land & Alternative phase of Herat) is required.
- Hire another qualified consultancy to complete the Feasibility Study of the Bariak Parks
- Contract extension of the Eco-Conserve to complete the RAP report of the Barikab Park
- MoIC close follow up is required in the following issues:
  - To discuss the security aspect of the IP with MoI
  - Specify budget for boundary wall of the Barikab Park with MoF
  - MoIC close follow up is required for Barikab social issue and Inventory data collection for RAP report

## Conclusion

The Agribusiness Charter (ABC) is the Government of Afghanistan's commitment to this vision for progress, in the service of the Afghan people. It is an inter-ministerial program which coordinates and prioritizes key actions to accelerate agribusiness development in Afghanistan as part of GoIRA growth agenda for transformative change and self-reliance. As third pillar of the Comprehensive Agriculture Development National Priority Program (CAD-NPP), ABC will coordinate and improve the quality and effectiveness of public and private investments in agribusiness and addresses strategic priorities for agribusiness development by establishing agri-industrial parks. To this end, the GoIRA is prepared a new project "Opportunity for Maximizing Agribusiness Investments and Development - OMAID" with support from the World Bank Group. OMAID aims to enhance private sector participation in agricultural value-chains in Afghanistan. This objective is aligned with the Agricultural Roadmap and Afghanistan Agribusiness Charter, adopted in November 2018 by the High Economic Council (HEC). OMAID as one pillar of ABC; development of the agribusiness sub-sector and agri-industry is a top priority.

As part of that, ABC Secretariat has been responsible to conduct, organize, facilitate meeting in different level among the key stakeholders involved in the ABC and OMAID project for establishing coordination and move forward toward the implementation of the charter and OMAID project. To this end, the main purpose of this report is to present the achievements, progress, challenges ahead of ABC and OMAID project from the ABC Secretariat perspective over the year 2020 and providing solid suggestion for further enrichment and successful implantation of the ABC and OMAID project.

The ABC Secretariat organized and conducted 2 high level steering committee meeting of the ABC, one operation committee meeting of the ABC, inter-ministerial high level meeting on the OMAID project, and several high level meeting with EU, WB, MAIL, MoIC and other stakeholders to ensure their continues involvement in the implementation of the ABC and OMAID project preparation period.

The key challenges that the secretariat has been encountered in 2020 were lack of specific technical experts in the Secretariat and also in line ministries, weak support and responsiveness, poor contribution, commitment and insufficient attention of the stakeholders at multiple levels, lack of ownership of the ABC from line ministries, presidential election in 2019, Covid-19 pandemic, Priority to SOM Conference and development of the ANPDF-2, Barikab social issue, and dissatisfaction with the deliverables by Eptisa (contracted consultancy to study the Feasibility study of the Barikab Park) are the main hindering issue of ABC and OMAID project.



To overcome these challenges, we suggest Strong and efficient coordination, commitment and contribution of all involved stakeholders with MoF, ABC Operational Committee and Secretariat in order to achieve the alignment of on-going and up-coming on & off-budget projects with ABC, providing technical support to secretariat, and reinforce the ministries and agencies responsible for implementation by supporting financing, donor coordination, and inter-ministerial coordination.