



GENEVA CONFERENCE ON
AFGHANISTAN

27 – 28 November 2018

Side Meeting Concept Note

Growth and Development

27 November 2018, 14:30 – 16:00

Palais des Nations, Building C, Room I

BACKGROUND

The Government of the Islamic Republic of Afghanistan's Growth Agenda for Transformative Change and Self-Reliance identifies priority reforms to support a significant acceleration in economic growth, exports, and government revenues. The strategy identifies the highest priority reforms from government plans and National Priority Programs (NPPs) through which improved economic development outcomes will be achieved and rapid progress can be achieved towards self-reliance.

Issues of economic development and conflict are inextricably linked. The Growth Strategy therefore identifies priority reforms that will: i) support robust improvements in economic performance under either a potential peace agreement or ongoing conflict; and ii) generate the economic conditions within which any potential peace could be consolidated and sustained.

To support improved short-term economic development outcomes, Government will give immediate priority to: i) intensive development of agriculture and horticulture; ii) rapid mobilization of extractives investment; iii) implementation of major regional connectivity projects; and iv) developing sectors to supply domestic markets. To mobilize growth from these sources, Government will: i) pursue a sustainable peace agreement to provide the security conditions for rapid growth; ii) sustain progress with business and regulatory reforms to maintain private sector confidence and facilitate investment; iii) invest in human capital to capture growth opportunities and support inclusive growth; and iv) optimize the efficiency of public expenditure and mobilize new sources of private finance to meet large investment needs.

Implementation of the Growth Strategy involves a substantial program of public investment. Even if peace is achieved and the full impacts of growth-enhancing reforms are realized, Afghanistan will remain highly dependent on international support. While peace may in the longer-term allow a reorientation of fiscal resources away from security expenditure and towards services and infrastructure development needs, fiscal pressures are expected to remain pronounced and perhaps increase following a peace agreement, due to the demands of demobilization and reintegration. Effective implementation of the strategy will rely not only on continued grant support but ensuring that the modalities of aid provision are fully aligned with Government's economic development policy goals.

OBJECTIVES

The objective of the meeting is to build a common understanding of the Government's vision for growth, how economic development will be influenced by broader security developments (including any potential peace deal), and the vital role of aid in supporting the implementation of a sustainable growth agenda that has the potential to, over time, lead to self-reliance.

Specifically, the meeting will:

- Provide a forum for dissemination and discussion of the growth strategy including sources of growth; role of value chains in growth strategy as well as the fiscal implications of development
- Support shared understanding of the role of international aid in implementation of the Growth Strategy, and the need for modalities of aid support that allow full alignment with Government policy objectives.

FORMAT

The meeting will entirely consist of a panel discussion. The discussion will be moderated by William Byrd. Panelists will have 10 minutes to introduce the topic. The Minister of Finance will present the Growth Agenda for Transformative Change and Self-Reliance. The Minister of Economy will present key aspects of the new Productive Afghanistan Strategy which will contribute to the Growth Agenda goals, including through accelerated value chain development. The World Bank Country Director will present the fiscal outlook under a range of growth and security scenarios. The EU representative will discuss the role of donor partnerships in supporting the Growth Agenda, drawing from the EU's experience with on-budget aid support through the State Building Contract in Afghanistan.

PROPOSED AGENDA

Time	Agenda	Speaker
14:30	Introduction	William Byrd - Moderator United States Institute of Peace
14:40	Sources of growth to realize Afghanistan's self-reliance potential	Mr. Mohammad Humayoun Qayoumi, Minister of Finance, GOA
14:50	The role of value chains in Afghanistan's Growth Agenda	Mr. Mustafa Mastoor Minister of Economy, GOA
15:00	The fiscal outlook and challenges	Mr. Shubham Chaudhury, Country Director, World Bank office in Afghanistan
15:10	On-budget development aid / state building contract supporting development reforms	Mr. Pierre Amilhat (Director for Asia, Central Asia, Middle East/Gulf and Pacific at European Commission/DEVCO) TBC
15:20	Open discussion / Q&A	All
15:55	Conclusion	William Byrd