



## Concept Note

### High-level Event: Meeting on Private Sector Development and Peace in Afghanistan

#### Geneva Conference

#### Virtual meeting (hosted at Palace 7, Kabul)

24 November 2020, 13:15 - 14:45 (Geneva time); 16:45 - 18:15 (Kabul time)

#### Background:

The Government of Afghanistan has prioritized economic reforms and policies to stimulate private sector participation in the economy through creating a business enabling environment and investment opportunities. Some positive examples include the Electricity Law, an Open Access Fiber Optics Policy, a Public Private Partnership Law, membership at the WTO, the National Trade Policy, National Export Strategy and infrastructure projects. Furthermore, the government has also taken systematic efforts to improve Afghanistan's performance in the World Bank Doing Business Indicators, including by improving mechanisms for business licensing, construction permits, export permits, and access to industrial land. There were also steps to reform the regulatory framework for mining. Moreover, the government, in partnership with the private sector, launched a network of air cargo corridors to key markets for Afghan products in the region.

However, many challenges remain. Afghanistan remains highly dependent on foreign assistance to finance development. Changing the status quo will ultimately depend on the Afghan government's ability to attract investment and develop a vibrant private sector. The Afghanistan National Peace and Development Framework (ANPDF) recognizes the critical role that the private sector plays in future economic growth, while the National Priority Program for Private Sector Development 2018-2023 is a key mechanism to coordinate reform actions in support of private sector development and economic growth. However, there are many factors hampering the successes of such measures, of which insecurity and instability remain the most important, but also structural impediments such as corruption, governance and regional cooperation.

#### Objectives:

The High-Level Event aims to:

- Promote an open/facilitated discussion on the main challenges faced in private sector development, and how to overcome them, as well as how to further stimulate investment and future opportunities;
- Frame the discussion to include a people dimension, highlighting that encouraging private sector investment means employment and economic security for the citizens of Afghanistan.
- Identify specific recommendations that could be taken forward by the GoIRA, the donor community and private sector.

#### Venue and format:

The meeting will last for 90 minutes and will be in the form of a moderated panel debate. Two key-note speakers will open the forum. Five Panel members will follow the key-note speakers and be asked to deliver short opening remarks, followed by a moderated discussion. Each panel member will be encouraged to speak to a specific

theme/topic in order ensure that the topic is covered in the most comprehensive manner possible (given the limited time).

**Participation:**

The session will include panel members representing a range of important perspectives – the government, private sector (domestic and diaspora), labour, women/youth, and international donors.

Note: Participants confirmed unless otherwise noted

Introduction – Moderator, Mr. Sanzar Kakar, Chairman, Afghanistan Holding Company

Keynote Speakers:

- Mr. Michael Fairbanks, Economist and former Fellow at the Weatherhead Center for International Affairs at Harvard University
- H.E. Dr. Anwarul-Haq Ahady, Acting Minister of Agriculture, Irrigation and Livestock

Panelists:

- Mr. Sayed Zaman Hashemi, CEO, Afghanistan Chamber of Commerce and Industry
- H.E. Mohammad Halim Fidal, Governor of Paktia (speaking to the challenges facing the private sector and economic development with linkages to the peace process from a provincial perspective)
- Mr. Javier Piedra, Acting Assistant Administrator, USAID
- Ms. Tugschimeg Sanchir, Senior Adviser to Bureau for Employers' Activities, ILO
- Dr. Mustafa Mastoor, Senior Advisor and Special Representative to High Council for National Reconciliation, Chairman on the role of the private sector in post-peace reconstruction

Closing Remarks:

- Mr. Alfonso Garcia, Senior Vice President for South Asia and Pacific, International Finance Corporation

**Organisation:**

The event will be in the form of a structured discussion. The event will be physically hosted at UNAMA's Palace 7 with virtual connections to Geneva and other global participants. The event will be opened by the Moderator, followed by two key-note speakers and then each panelist will be asked to make remarks. The moderator will then lead a facilitated discussion.

**Expected Results/Outcomes:**

- To take stock of the state of private sector development in Afghanistan.
- To look at the factors hampering private sector development and how they can be addressed in the short, medium and long term.
- To identify initiatives and make recommendations that would further augment/strengthen existing programs designed to enhance the private sector in Afghanistan.
- Bringing several different perspectives into the discussion – national, provincial and local – as well as women and youth.
- To arrive at concrete recommendations for the consideration of GoIRA, donors and the private sector in Afghanistan.
- Rather than looking at this event as a one-off meeting, consideration will be given to engaging stakeholders on a more systematic basis so as to maintain momentum and commitment resulting from the event.