



USAID | AFGHANISTAN

FROM THE AMERICAN PEOPLE

COUNTRY DEVELOPMENT COOPERATION STRATEGY FY 2019-2023



September 2018

I am pleased to share USAID's Fiscal Year 2019-2023 Country Development Cooperation Strategy (CDCS), which builds on a close U.S. – Afghanistan development partnership of more than 17 years. Throughout that time, we have collaborated to make significant gains in Afghanistan's social and economic landscape. Bolstered by a renewed commitment under the U.S. President's South Asia Strategy, we have achieved a more sophisticated relationship that acknowledges each partner's unique contributions and limitations.

USAID's strategy recognizes that Afghanistan must reduce dependence on aid flows and grow its own legitimate economy. The Government of Afghanistan (GoA) recognizes this as well, and is committed to achieving self-reliance. This is clear in its five-year development strategy, the Afghanistan National Peace and Development Framework (ANPDF), and in its National Priority Programs (NPP), through which the strategy is implemented. USAID will support the Afghan government's self-reliance efforts and priorities under this CDCS.

If Afghanistan is to succeed on the road to self-reliance, private sector investment is essential; it will help provide health and education services, grow the economy, and create jobs. USAID programs will help accelerate private sector-driven and export-led economic growth by encouraging private enterprise, strengthening value chains, and facilitating market-driven, high-value exports.

Under this strategy, USAID will also continue to advance social gains by providing on-budget support through the Afghanistan Reconstruction Trust Fund (ARTF) to improve healthcare and education quality. We have insisted upon greater monitoring and accountability for results from the World Bank, which manages ARTF, and the Afghan line ministries, which implement programs funded by it. Off-budget programming in both education and health will continue to complement these efforts. Programming to strengthen advocacy for women's rights and women's participation in the economy, education, and government will continue.

We recognize that corruption is a pervasive corrosive, undermining every development effort, government function, and process. Citizens must be able to hold their government accountable for its performance. That is why USAID plans to increase the Afghan government's accountability to citizens through promoting citizen participation in decision-making processes; improving elections and bolstering civil capacity; strengthening the effectiveness of government institutions; and reducing the GoA's vulnerability to corruption.

Lastly, to help create the conditions necessary for peace, we are shifting away from quick-impact stabilization programs to focus on longer-term, broad-based development efforts, which includes programs like Citizens' Charter, a NPP. We continue to hope for and plan for peace, and successful peace negotiations would accelerate the achievement of our CDCS. Within this context, USAID's CDCS aims to make Afghanistan a more inclusive, economically viable, and self-reliant country that can better partner with the U.S. Government in the implementation of our national security strategy. We look forward to continued collaboration with the Afghan people to achieve this goal, and are encouraged daily by the new generation of Afghans poised to take their future into their own hands.

Sincerely,

Herbie Smith

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List of Acronyms

ACER	Australian Council for Educational Research
AD	Alternative Development
ADB	Asian Development Bank
ADHS	Afghanistan Demographic and Health Survey
AGE	Anti-Government Elements
ALCS	Afghan Living Conditions Survey
ALP	Accelerated Learning Program
AMELP	Activity Monitoring, Evaluation and Learning Plan
ANDS	Afghanistan's National Development Strategy
ANPDF	Afghanistan National Peace and Development Framework
ANSF	Afghanistan National Security Forces
APS	Affordable Private Schools
ARTF	Afghanistan Reconstruction Trust Fund
BPHS	Basic Package of Health Services
CBE	Community-based Education
CC	Citizens' Charter
CDC	Community Development Council
CDCS	Country Development and Cooperation Strategy
CLA	Collaborating, Learning and Adapting
CRM	Climate Risk Management
CSA	Climate-Smart Agriculture
CSO	Civil Society Organization
DfID	Department for International Development
DO	Development Objectives
DoD	Department of Defense
DoS	Department of State
EMIS	Education Management Information System
EU	European Union
EQRA	Education Quality Reform in Afghanistan
EVAW	Elimination of Violence against Women
FAA	Foreign Assistance Act
FDI	Foreign Direct Investment
FEWS NET	Famine Early Warning Systems Network
FFP	Food for Peace
GDP	Gross Domestic Product
GoA	Government of Afghanistan
HA	Humanitarian Assistance
HEADS	Highly Effective Adaptation and Development Strategies
HEDP	Higher Education Development Program
ICS	Integrated Country Strategy

IDA	International Development Association
IDLG	Independent Directorate of Local Governance
IDP	Internally Displaced Person
IGD	Inclusive Growth Development
IMF	International Monetary Fund
INL	Bureau for International Narcotics and Law Enforcement Affairs (INL)
INDC	Intended Nationally Determined Contribution
IP	Incentive Program (World Bank, ARTF Mechanism)
IR	Intermediate Result
ISIL	Islamic State of Iraq and the Levant
ISLA	Initiative to Strengthen Local Administration
JICA	Japan International Cooperation Agency
kWh	Kilowatt Hour
LEDS	Low Emission Development Strategies
MAIL	Ministry of Agriculture, Irrigation and Livestock
MDG	Millennium Development Goals
MEC	Independent Joint Anti-Corruption Monitoring and Evaluation Committee
MEL	Monitoring, Evaluation and Learning
MoE	Ministry of Education
MoHE	Ministry of Higher Education
MoLSAMD	Ministry of Labor, Social Affairs, Martyrs and Disabled
MoPH	Ministry of Public Health
MOU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development
MSME	Micro, Small and Medium Enterprise
MTM	Multi-Tiered Monitoring
NCADP	National Comprehensive Agricultural Development Program
MW	Megawatt
NEPA	National Environmental Protection Agency
NES	National Export Strategy
NESP	National Education Strategic Plan
NGO	Non-government Organization
NHA	National Health Account
NPP	National Priority Program
NRM	Natural Resource Management
OAG	Office of Agriculture
OAPA	Office of Afghanistan and Pakistan Affairs
ODG	Office of Democracy and Governance
OED	Office of Education
OEG	Office of Economic Growth
OFDA	Office of Foreign Disaster Assistance
OHN	Office of Health and Nutrition
OG	Office of Gender
OI	Office of Infrastructure

OIG	Office of Inspector General
PAD	Project Appraisal Document
PMP	Performance Management Plan
PTEC	Power Transmission Expansion and Connectivity
RF	Results Framework
RS	Resolute Support
SCA-JRS	South-Central Asia Joint Regional Strategy
SDG	Sustainable Development Goal
SIGAR	Special Inspector General for Afghanistan Reconstruction
SMAF	Self-Reliance through Mutual Accountability Framework
SPS	Sanitary/phytosanitary
TA	Technical Assistance
TB	Tuberculosis
UN	United Nations
UNAMA	United Nations Assistance Mission to Afghanistan
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UNPP	Urban National Priority Program
USAID	United States Agency for International Development
USG	United States Government
WASH	Water, Sanitation, and Hygiene
WTO	World Trade Organization

I. Executive Summary

The U.S. Government (USG) and Afghanistan have partnered for 17 years to achieve shared security and development goals. The August 2017 U.S. South Asia Strategy reaffirms the commitment of the U.S. to Afghanistan and highlights the importance of the country's stability to U.S. national security. Foreign assistance is crucial to addressing the security and development challenges that, in the past, have made Afghanistan a safe haven for terrorists and violent extremist organizations. It is also a vital component to achieving a political settlement that ends Afghanistan's conflict and brings lasting stability to the country. USAID will help establish the conditions necessary for peace and self-reliance through this Country Development Cooperation Strategy (CDCS) by focusing on long-term, broad-based development in Afghanistan and by transitioning to a more mature relationship with the Government of Afghanistan (GoA). This relationship, driven by accountability for performance, will enable the GoA to take greater ownership of its country's development. Working with the GoA, USAID will prioritize private sector-driven economic growth that creates the conditions for job growth, revenue generation, and social improvements. USAID's development goal – which aligns with the GoA's policy goals for self-reliance – is to help Afghanistan become a more inclusive, economically viable, and self-reliant country with which the USG can better partner in our national security strategy.

Context

Afghanistan faces many challenges in becoming a more inclusive, economically viable, and self-reliant country; achieving self-reliance will prove particularly difficult. USAID defines self-reliance as the ability of a country, including the government, civil society, and the private sector, to plan, finance, and implement solutions to solve its own development challenges. Self-reliance is driven by two closely related components, commitment and capacity, which USAID measures using 17 publicly-available, third-party metrics. USAID has produced [Journey to Self-Reliance Country Roadmaps](#) showing each country's performance on these 17 metrics and its overall level of self-reliance. Country Roadmaps are designed to facilitate discussion about greater national self-reliance. Afghanistan's Roadmap can be seen in Annex 1.

Although self-reliance is a clearly stated policy goal of the Afghan government, Afghanistan's Roadmap indicates that its self-reliance commitment is constrained by poor government openness, low social inclusion, and a poor business environment. Afghanistan's capacity for self-reliance is relatively stronger, as evidenced by the country's strong media community, a growing civil society presence, and increasing exports.

Strategic Shifts

This strategy is the culmination of a two-year process and was informed by the analysis of lessons learned from previous strategies (particularly the 2015 – 2018 Plan for Transition), USAID's comparative advantage, and Afghanistan's commitment and capacity to become a more inclusive, economically viable and self-reliant national security partner.

Key decisions made as a result of this analysis include the following:

- **Shift to a private sector approach:** USAID's emphasis on economic growth continues under this strategy, but our approach shifts from on-budget programming and GoA capacity building to increasing the role of private enterprise. Interventions will encourage private enterprise by strengthening the value chains that take high value Afghan products from conception to end market use, thereby keeping economic benefits of production within Afghanistan. USAID

expects this approach to create conditions for job growth, revenue generation, and the social improvements necessary to strengthen Afghanistan's self-reliance.

- **Shift in focus to exports:** USAID will leverage the strength of the private sector to connect Afghanistan to regional markets, including through air cargo transport.
- **Creating the conditions necessary for peace:** USAID recognizes that a peace agreement and an end to conflict are critical for Afghanistan's long-term prosperity and self-reliance. This strategy will help create the conditions necessary for peace by promoting private sector-led growth, the social gains needed for a more inclusive society, and greater government accountability. This approach addresses key drivers of conflict and helps promote peace and stability. USAID will use its support for Citizens' Charter (CC), an Afghanistan National Priority Program (NPP), to extend GoA service delivery and help promote peaceful integration in areas that reach local peace agreements.
- **Prioritization of market-centers:** To maximize impact, USAID investments will focus where most people live and will facilitate connections between the rural areas and five targeted population-centric market centers (Kabul, Kandahar, Herat, Mazar-e-Sharif, and Jalalabad).
- **Shift to conditions-based programming:** The CDCS shifts from USAID-generated development objectives and fixed programming to conditions-based, collaborative objectives formed in partnership with the GoA and through multilateral programs, such as the Afghanistan Reconstruction Trust Fund (ARTF).
- **Shift away from alternative development and counternarcotics programming:** USAID has transitioned support for counternarcotics programs, including alternative development (AD) programming, to the Bureau of International Narcotics and Law Enforcement Affairs (INL), which is strategically placed to incorporate AD into its law enforcement efforts. USAID will continue to coordinate closely with INL to ensure synergies between programs.
- **Shift away from stabilization programs:** USAID no longer supports quick-impact stabilization activities meant to provide immediate employment and income in insecure areas, and to address grievances and sources of conflict within communities; instead, the Mission is focused on achieving longer-term development goals in Afghanistan.
- **Shift away from traditional government capacity building:** USAID found that long-term technical assistance staff hired through contractors to teach Afghans sometimes displaced their civil servant counterparts, creating an atmosphere of dependence and confusion. USAID has transitioned to more targeted capacity building approaches, such as "twinning," where USG agency personnel work directly with operating units in Afghan government ministries where reform is most needed.

USAID's Approach Under this CDCS

The CDCS goal is for Afghanistan to become a more inclusive, economically viable, and self-reliant country with which the USG can better partner in our national security strategy. This will be achieved by progress in three Development Objectives (DOs):

- Accelerate private sector-driven and export-led economic growth;
- Advance social gains; and
- Increase the government's accountability to citizens.

USAID hypothesizes that enabling private sector investment and improving Afghanistan's trade competitiveness will help decrease the country's trade deficit and expand the government's revenue base. In turn, this will increase Afghanistan's economic viability and enable the country to become less reliant on donors. Advancing social gains in areas such as health, education, and women's empowerment will enable the country to become more inclusive and stable, as Afghans gain confidence in their government's ability to achieve reforms and deliver services. Increasing the GoA's accountability to its

citizens will also help improve the country's stability and inclusivity, as Afghans' trust in their government improves and civic participation expands. The development objectives are designed to contribute to the stability, and ultimately, increased self-reliance of Afghanistan because they address the security and development challenges that have made Afghanistan a safe haven for terrorists and violent extremist organizations and have driven the conflict with the Taliban, including corruption, unemployment, and a lack of government legitimacy. Achieving these objectives will help create the conditions necessary for peace. A country that is more inclusive, stable, and economically independent will be better able to partner with the USG in our national security strategy and help secure the country against a persistent insurgent threat.

Some development challenges are common across multiple efforts under this strategy; these challenges, or "themes" include: Afghanistan's growing youth bulge, poor gender equality, rampant corruption, lack of positive private sector engagement, and the need for market-driven workforce development. USAID will address these challenges through a coordinated, Mission-wide approach.

Scenario Planning and Crisis Modifiers

In recognition of Afghanistan's volatile and complex operating environment, USAID conducted a scenario planning exercise to identify potential risks and opportunities that could affect programming during the strategy's implementation, and ways to mitigate them. Mitigation measures may include the use of crisis modifiers to adapt programming to address changes in context. The risks and opportunities that USAID believes could have the greatest impact on our programming are listed below, along with an explanation of how USAID will address them. USAID will monitor these risks and opportunities using a set of qualitative indicators or benchmarks during the strategy's implementation.

- **Peace and Reconciliation:** The strategy represented by this CDCS still holds if a peace agreement is reached. USAID would adapt programming to leverage the benefits from a peace settlement, though its effects on the strategy's expected results would vary.
- **Climate Change:** In a scenario where climate change intensifies and more quickly degrades the agricultural environment, USAID will use adaptive mechanisms, such as shifting resources to accelerate irrigation of rain-fed arable land and support to high-value, drought-resistant crops and other Climate Smart Agriculture (CSA) interventions.
- **Food Insecurity:** A dramatic rise in food insecurity would require increased humanitarian assistance from the Offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP), greater coordination with other donors, and greater support to Afghanistan's disaster relief infrastructure. Support from USAID's Bureau for Food Security would also be needed to lay the foundations for longer-term development and resilience to ongoing and future shocks and stresses.
- **Natural Disasters:** In a scenario with a higher than expected number of natural disasters, or where several natural disasters occur concurrently, USAID will respond by increasing support to immediate humanitarian assistance and longer-term relief programs.
- **Returnees:** In the event of a high volume of returnees, which may accelerate under a peace agreement, OFDA may coordinate with other agencies, NGOs, and the GoA to provide seasonally appropriate shelter, food, and medicine.
- **Conflict:** This CDCS holds in the event of increased conflict. In a scenario where security deteriorates further and urban areas begin to be affected, USAID will develop and implement crisis modifier approaches such as curtailing programs where the GoA has lost control, but withdrawing only as much as necessary, keeping resources and personnel as close as possible in case the area returns to government control.

II. Country Context

The U.S. Government (USG) and Afghanistan have partnered for 17 years to achieve shared security and development goals. The Country Development Cooperation Strategy (CDCS) changes the dynamic of this partnership. Driven by accountability for performance, USAID is transitioning to a more mature relationship with the Government of Afghanistan (GoA), allowing them to take greater ownership of their own development.

The August 2017 U.S. South Asia Strategy reaffirms the commitment of the U.S. to Afghanistan and highlights the importance of the country's stability to U.S. national security. Foreign assistance is crucial to addressing the security and development challenges that, in the past, have made Afghanistan a safe haven for terrorists and violent extremist organizations, and to achieving a political settlement that ends Afghanistan's conflict and brings lasting stability to the country. USAID will help establish the conditions necessary for peace and self-reliance through this CDCS by focusing on long-term, broad-based development in Afghanistan. Working with the GoA, USAID will prioritize private sector-driven economic growth that creates the conditions for job growth, revenue generation, and social improvements. Increasing Afghanistan's capacity and self-reliance complements and reinforces efforts to reduce violence and stimulate a political settlement to end the conflict with the Taliban.

Our development goal, which aligns with the GoA's own policy goals for self-reliance, is to help Afghanistan become a more inclusive, economically viable, and self-reliant country with which the USG can better partner in our national security strategy.

Challenges and Opportunities

Afghanistan faces many challenges in becoming a more inclusive, economically viable, and self-reliant country. Self-reliance, which USAID defines as the ability of a country to plan, finance, and implement solutions to solve its own development challenges, will prove particularly difficult. Afghanistan is one of the least self-reliant countries with which USAID works, according to the country's Roadmap to Self-Reliance (Annex 1). This roadmap, developed by USAID, is based on a set of 17 indicators that measure a country's commitment and capacity to achieve self-reliance. USAID defines commitment to self-reliance as the degree to which a country's policies, actions, and behaviors enable it to solve its own development challenges. Capacity for self-reliance is the ability of a country, including the government, civil society, citizens, and the economy, to plan, resource, and manage its own development.

The following pages explain the challenges and opportunities Afghanistan faces on its journey to achieve self-reliance; they are organized by the components of commitment (open and accountable governance, inclusive development, economic policy) and capacity (government capacity, civil society capacity, citizen capacity, and the capacity of the economy).

Commitment

Afghanistan's overall commitment to self-reliance is relatively low. While the GoA demonstrates some level of commitment to reduce its dependence on donor funds, the country's poor government openness, low social inclusion, and difficult business environment constrain its ability to realize this goal. Thus, there are key opportunities for improvement in all of these areas.

Open and Accountable Governance

The GoA has relatively low levels of openness and accountability compared to other low and middle-income countries, according to two key metrics for self-reliance: the Open Government and Liberal Democracy Indices, and the World Justice Project, with the latter ranking Afghanistan 103 of 113

countries¹ in its commitment to open government practices. The lack of an open and accountable government fuels corruption, which is one of the most serious threats to good governance in Afghanistan. Transparency International ranks Afghanistan 177 out of 180 countries in its 2017 Corruption Perceptions Index.²

The GoA has initiated a number of measures to increase its accountability to citizens. In 2014, the GoA signed the *Access to Information Law*, which, with few exceptions, increases citizens' access to government-held information. To facilitate citizen participation in policy deliberations, the government has effectively incorporated community-identified development priorities into the national budget the last few years, providing incentive funds³ to those provinces that effectively utilize their yearly budgets. USAID will continue to support Afghan civil society organizations (CSOs) to strengthen their ability to interact with government counterparts and represent citizens' views in decision-making processes.

The GoA has committed to combating corruption by replacing informal patronage with a merit-based system through its National Strategy for Combating Corruption (2017-2020).⁴ One of the many notable anti-corruption reforms is a presidential decree affirming the legal status of the Independent Joint Anti-corruption Monitoring and Evaluation Committee (MEC), which also requires government institutions to cooperate with MEC assessments of government vulnerabilities to corruption (VCAs). The MEC actively monitors the status of its VCA-generated recommendations and has seen a high percentage of those recommendations implemented within ministries.^{5,6} These small strides demonstrate the GoA's commitment to address institutional vulnerabilities that allow corruption to flourish. USAID will continue to leverage these commitments and work with institutions such as the MEC to support efforts at combating corruption and improving governance in Afghanistan.

Inclusive Development

Afghanistan's Social Group Equality, a key measure of commitment to self-reliance, is quite low and shows that members of some social groups in Afghanistan have fewer civil liberties than the general population. This rating is driven, in part, by the country's extreme gender inequality. Leading gender indices show that women are greatly underrepresented in education (UN Gender Parity Index for Secondary Education = 0.70), the economy (UN Gender Development Index = 0.609⁷), and public life (UNDP Gender Inequality Index = 0.667). In each measure, completely egalitarian would equal 0.50. Overall, Afghanistan ranks 169 out of 188 countries surveyed regarding difficulty being a woman. Behind these statistics are Afghanistan's patriarchal, tribal and agrarian family structure, conservative cultural traditions and religious values, all of which combine to discourage women from advanced education, political involvement, and economic enterprise. Decades of insecurity have also fostered a deeply cautious society where it is believed women need to be protected within the family and have no occupation outside the home.

Women and other vulnerable populations are also increasingly victimized through pervasive abuse, violence, trafficking, and exploitation. Boys and girls are both vulnerable to sexual exploitation, either

¹ <https://worldjusticeproject.org/our-work/publications/rule-law-index-reports/wjp-rule-law-index-2017-2018-report>

² Transparency International. "Afghanistan". Available at: <https://www.transparency.org/country/AFG>. Accessed: March, 2018.

³ Commitment to reforming local governance financial system has also been expressed by President Ghani in the recent 2018 Citizen-Centered Governance A Roadmap for Subnational Reform to "implement subnational financial reform, including the creation of incentive funds and, over time, allow subnational entities to raise revenues," page 15.

⁴ Islamic Republic of Afghanistan, "Afghanistan National Strategy for Combating Corruption," October 2017. Available at: http://mof.gov.af/Content/files/AFG_AntiCorruptionStrategy_Eng_.pdf. Accessed: June, 2018.

⁵ http://www.mec.af/files/2018_06_24_moe_first_followup_en.pdf

⁶ http://www.mec.af/files/2018_04_03_moph_6th_quarterly_report_en.pdf

⁷ United Nations Development Programme. Human Development Reports, Gender Parity Index for Secondary Education. Available at: <http://hdr.undp.org/en/countries/profiles/AFG>. Accessed: March, 2018.

through child marriage, trafficking, or *bacha bazi* — the practice of retaining or trafficking young boys for dancing and sexual abuse. These discriminatory and predatory practices are pervasive, occurring across ethnic groups in both rural and urban areas.⁸

Afghanistan's low Social Group Equality reveals the marginalization and exclusion of youth from the country's development. Afghanistan has the third highest "youth bulge" in the world. More than 20 percent of the population is between 15 and 24 years of age, a figure expected to double by 2045.⁹ In this demographic scenario, 400,000 youth enter the job market every year (a number that will only increase for the next 25 years or so), making unemployment and job creation critical development challenges. The struggle to find a job can lead to economic marginalization and instability, which, in turn, makes one susceptible to violent extremism.¹⁰ Another driver of extremism among youth is poor social status; evidence shows that improving young Afghans' sense of respect in their communities appears to lower their risk of supporting violent groups and causes.¹¹ However, the civic and political engagement of youth, which could help foster this respect, is low; 90 percent of young people are not actively involved in any political party or organization, and only nine percent are members of a student/youth association.¹² Adding to these challenges are the more than two million Afghans living in Pakistan that might return after a peace settlement or as a result of coercive action by the Pakistani government.

Nevertheless, the GoA is working to improve social equality in Afghanistan. The GoA has set a goal of filling 26 percent of all civil service jobs with women by 2020. At the end of 2016, 22 percent of civil service jobs were held by women.¹³ Twenty-five ministries or offices signed Memoranda of Understanding (MOUs) with USAID to hire female interns to increase the number of female civil servants in government. In higher education, the number of women attending universities has increased. For example, in 2006, the American University of Afghanistan enrolled a class of 56 students; by 2018, it had graduated more than 1,100 students, of which 42 percent were women.

The GoA has worked to improve conditions for youth by implementing its first ever National Youth Policy focused on youth health and equitable educational opportunity.¹⁴ It is also developing a National Youth Strategy to improve the health, education, employment, and participation of youth, which covers cross-cutting issues such as gender, peace and security, environmental sustainability, and sports. Government ministries that handle youth issues include the Ministry of Rural Rehabilitation and Development (MRRD), the Ministry of Labor (MOLSAMD) and the Ministry of Higher Education (MoHE). In addition, the GoA's Urban National Priority Program (UNPP) aims to improve national stability by working within municipalities for economic growth, better governance, and to engage youth and women effectively.¹⁵ USAID plans to build on these gains for women and youth under this strategy.

⁸ Thomson Reuters Foundation News, TRUSTLAW POLL-Afghanistan is most dangerous country for women, Available at: <http://news.trust.org/item/20110615000000-na1y8/>, Accessed: May, 2018

⁹ World Bank: "Afghanistan, Helping Support Growth and Stability." Available at: <http://www.worldbank.org/en/results/2017/06/07/afghanistan-helping-support-growth-stability>. Accessed: March, 2018.

¹⁰ Kartika Bhatia and Hafez Ghanem. "How do education and unemployment affect support for violent extremism? Evidence from eight Arab countries." The Brookings Institution. March 22, 2017. Available at: <https://www.brookings.edu/research/how-do-education-and-unemployment-affect-support-for-violent-extremism/>. Accessed: May, 2018.

¹¹ Mercy Corps. Does Youth Employment Build Stability?. Available at: <https://www.mercycorps.org/research-resources/does-youth-employment-build-stability>. Accessed: March, 2018.

¹² Afghanistan State of Youth Report. United Nations Population Fund. 2014. <https://afghanistan.unfpa.org/sites/default/files/pub-pdf/AfghanistanStateofYouthReport2014.pdf>. Accessed: June, 2018.

¹³ USAID and European Commission, Afghanistan Gender Country Profile, 2016, P.2

¹⁴ Government of the Islamic Republic of Afghanistan, Ministry of Information and Culture, Office of the Deputy Ministry of Youth Affairs. "Afghanistan National Youth Policy, 25 August, 2014, Page 6. Available at: https://www.unicef.org/afghanistan/sites/unicef.org.afghanistan/files/2018-03/afg-publication_youth-policy.pdf. Accessed January, 2019.

¹⁵ Ministry of Finance, Islamic Republic of Afghanistan, "Urban National Priority Programme", Available at: <http://policymof.gov.af/urban-national-priority-programme/>. Accessed: July, 2018

Economic Policy

Afghanistan's economic policies need reform. This is illustrated by low scores on two key measures of commitment to self-reliance: the Business Environment pillar of the Legatum Institute's Prosperity Index, which measures the country's entrepreneurial environment, its business infrastructure, barriers to innovation and labor market flexibility;¹⁶ and the Heritage Foundation's Index of Economic Freedom trade freedom factor, which measures the extent of tariff and nontariff barriers that affect imports and exports of goods and services. Afghanistan's poor business and trade environment discourages investment, startups, business expansion, and trade. As a result, foreign direct investment (FDI) is just 0.7 percent of Gross Domestic Product (GDP), or less than \$150 million.¹⁷

Nonetheless, the GoA has demonstrated its commitment to developing a market-based economy and improving economic growth. This is clear in the government's "Realizing Self-Reliance: Commitments to Reforms and Renewed Partnership" policy framework paper; the five-year Afghanistan National Peace and Development Framework (ANPDF) for 2017-2021;^{18,19} and the National Export Strategy (NES) 2018-2022.²⁰ The ANPDF highlights the importance of trade and private investment in furthering the national development agenda; in fact, one of the NPPs outlined in the strategy specifically addresses Private Sector Development.²¹ The GoA's commitment is also demonstrated by recent efforts to improve the country's economic policy and capacity, including actions to reduce the budget deficit, maintain a stable currency, and institute reforms to combat money laundering and terrorist financing.²²

The GoA has facilitated electricity access, which it recognizes as necessary for economic growth. Access to power has more than tripled in Kabul, and in newly grid-connected centers, the cost of electricity has greatly decreased. For example, in Ghazni, the cost of electricity has fallen from approximately \$0.56 to \$0.05 per kilowatt hour (kWh) in 2017. These gains have underpinned many quality-of-life achievements vital to increasing Afghan stability and self-reliance, such as improvements in education and healthcare. The June 2018 pilot of the User Fee Regulation in health care policy, allowing hospitals and secondary care providers to charge for certain services on an ability-to-pay basis, is one example of the GoA taking steps to fund healthcare. USAID plans to build on these gains and continue to leverage the government's commitment to economic reforms under this strategy.

Capacity

Afghanistan's Roadmap to Self-Reliance reveals a relatively strong self-reliance capacity, as the country has a strong media community, a growing civil society community, and increasing exports. Still, there are clear opportunities to further increase its capacity.

¹⁶ The Legatum Institute, "The Legatum Prosperity Index, 2017." Online Resource, Available at: <https://www.prosperity.com/>. Accessed, October, 2018.

¹⁷ International Trade Center, *Afghanistan's National Export Strategy 2018-2022*, Peace Through Prosperity, Prosperity through Trade, Draft, pg. 19, See: <http://www.intracen.org/news/Afghanistan-launches-National-Export-Strategy>. Accessed: June, 2018.

¹⁸ Islamic Republic of Afghanistan, "Realizing Self-Reliance: Commitments to Reforms and Renewed Partnership," December 2014, <http://afghanistan-un.org/wp-content/uploads/2014/12/REALIZING-FINAL-SELF-RELIANCE-25-November-2014.pdf>. Accessed: March, 2018.

¹⁹ Islamic Republic of Afghanistan, *Afghanistan National Peace and Development Framework (ANPDF) 2017-2021*. Available at: <http://afghanistan-un.org/wp-content/uploads/2016/10/ANPDF.pdf>. Accessed: March, 2018.

²⁰ Islamic Republic of Afghanistan, "Realizing Self-Reliance: Commitments to Reforms and Renewed Partnership," December 2014, <http://afghanistan-un.org/wp-content/uploads/2014/12/REALIZING-FINAL-SELF-RELIANCE-25-November-2014.pdf>. Accessed: March, 2018.

²¹ Ministry of Finance, Government of Afghanistan, "New National Priority Programs," Available at: <http://policymof.gov.af/national-priority-programs/the-new-npps/>. Accessed: March, 2018.

²² Byrd, Bill and Clark, Kate; "The 2018 Afghan National Budget: Confronting Hard Realities by Accelerating Reforms." December 5, 2017. Available at: <https://www.afghanistan-analysts.org/the-2018-afghan-national-budget-confronting-hard-realities-by-accelerating-reforms/>. Accessed: June 2018.

Government Capacity

According to the World Bank, Afghanistan is well below the average of low- and middle-income countries in terms of its government's effectiveness, a key measure of self-reliance capacity.²³ The GoA's capacity to implement policies, mobilize revenue, manage budgets, respond to humanitarian crises, and provide a quality civil service is among the lowest in the world.^{24, 25} Despite GoA efforts to reform the civil service, improve service delivery, and delegate authority to local governments, few reforms have actually taken effect. There are currently only three laws regulating subnational governance:²⁶ the *Municipalities Law*, *Provincial Councils Law*, and the *Local Administrative Law*, which are essential to achieving effective governance. Each of these have limited provisions, requiring a more comprehensive legal framework to clarify local governments' roles and responsibilities, authorities, financial management and service delivery mechanisms. USAID will work with the GoA to support the development of frameworks that will improve governance for the benefit of the Afghan people.

The challenge to implementing governance reforms stems from a myriad of factors, including: insecurity and political uncertainty, presence of Taliban shadow governments, the patronage system where resource allocation depends on political networks, illicit criminal networks, as well as lack of human capital, and political commitment. Another major impediment to improving government capacity at the local level is the patronage-based civil service system, in which prospective employees rely on political or family connections, pay bribes, or cater favors to secure a position. In some cases, these positions offer personal enrichment via corrupt practices.^{27, 28} War and insecurity exacerbate Afghanistan's governance challenges. More than 50 percent of the country's districts are contested, controlled, and/or influenced by anti-government elements (AGEs). This diverts GoA funding away from development projects in controlled areas that could promote growth and social progress and weaken conflict drivers.²⁹ Conflict also displaces people as they flee harsh Taliban rule or lose livelihoods in the crossfire of frequent battles. Currently, there are approximately 750,000 internally displaced persons and an estimated 2.4 million Afghan refugees living in Pakistan and Iran.³⁰

Successful peace negotiations between the Taliban and the GoA would represent a major turning point in Afghanistan's governance and development. Numerous attempts at negotiations over the years have not been successful. In June 2018, the Afghan government declared a unilateral ceasefire over the Eid al-Fitr holiday, which was welcomed by some Taliban fighters, providing a glimmer of hope for peace. The most recent call for peace talks came from President Ghani at the second Kabul Process Conference for Peace and Cooperation in February 2018, a forum that aligns international and regional efforts on the peace

²³ The World Bank, "Government Effectiveness, Percentile Rank 1996- 2016", https://govdata360.worldbank.org/indicators/h1c9d2797?country=AFG&indicator=391&countries=USA&viz=line_chart&years=1996,2016 , Accessed: March, 2018.

²⁴ The World Bank, Worldwide Governance Indicators, "Government Effectiveness" and "Regulatory Quality" measures. Available at: <http://info.worldbank.org/governance/wgi/index.aspx#reports>. Accessed: September, 2018.

²⁵ Government effectiveness refers to the quality of public services, including the government's ability to efficiently mobilize revenue, manage budgets, and respond to humanitarian crises; the quality of the civil service and the degree of its independence from political pressure; and the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies are improved.

²⁶ The World Bank, "Islamic Republic of Afghanistan: Citizen-Centered Governance: A Roadmap for Subnational Reform." May, 2018. Page 10. Available at: <http://documents.worldbank.org/curated/en/176061540413424342/pdf/131295-WP-P164594-AttachmentSNGPolicy.pdf>. Accessed, January, 2019.

²⁷ <https://foreignpolicy.com/2017/08/16/in-afghanistan-reform-cant-come-fast-enough-ghani/>

²⁸ <https://www.nytimes.com/2018/01/09/world/asia/afghanistan-corruption-reform.html>

²⁹ Roggio, Bill and Gutowski, Alexandra, "Afghanistan Watchdog: Government control lowest ever," November 1, 2018, FDD's Long War Journal. Available at: <https://www.longwarjournal.org/archives/2018/11/sigar.php>. Accessed: January, 2019.

³⁰ International Organization for Migration, "Displacement Survey Shows 3.5 Million Internally Displaced, Returnees from Abroad in 15 Afghan Provinces." May 11, 2018. Available at: <https://www.iom.int/news/displacement-survey-shows-35-million-internally-displaced-returnees-abroad-15-afghan-provinces>. Accessed: June, 2018.

process. With renewed peace talks, there is hope that Afghanistan will break its cycle of conflict and seize the opportunity to focus on improving the wellbeing and prosperity of its people. The U.S. will continue to support these peace negotiations, and help establish the conditions necessary for peace and a more prosperous, self-reliant Afghanistan.

The outcome of the upcoming Presidential election has the potential to serve as an opportunity and/or spoiler for improved governance. Political uncertainty³¹ impedes reform, and should the election results not be accepted as legitimate by the population or disputed by candidates, citizens' trust in the GoA may further diminish.³² USAID will continue to support these elections under this strategy.

Civil Society Capacity

In 2017, Afghanistan scored close to the average of low-and middle-income countries on V-Dem's Diagonal Accountability Index, which measures the extent to which a government is accountable to the media and civil society,³³ a key indicator of self-reliance capacity. This score shows that, though it faces continued threats from both insurgent elements and government hardliners, Afghanistan's civil society is strong and has made significant strides in the last decade in advocating for better laws, monitoring public services, promoting women and minority rights, and fighting for democratic freedoms. CSOs play an important role in a country's development and self-reliance trajectory by working for and monitoring issues related to human rights, strengthening good governance and the rule of law, championing inclusive growth and gender equality, supporting citizen engagement, and providing both humanitarian and other basic services.

The GoA and the international community recognize the vital role Afghan civil society plays in the development of the country, as demonstrated during the 2014 London Conference on Afghanistan,³⁴ and in subsequent conferences as well. Despite such commitments and the freedom of expression, assembly, and association mentioned in the Afghan constitution, it can be difficult for CSOs to operate, especially with regard to registration, paying taxes, and gaining access to information.³⁵

Additionally, many Afghan CSOs struggle to achieve financial sustainability. CSO performance is hindered by low employee retention and weak institutional capacity. In an environment with limited opportunities for financial sustainability, many CSOs work solely on donor-driven issues. Afghan CSOs need support in developing their strategic planning capabilities, human resource development, and financial sustainability mechanisms. Civil society participation in government decision-making processes at both local and national levels is essential for achieving effective governance and combating corruption. Thus, USAID will continue to support Afghan CSOs and the gains they have made.

Citizen Capacity

Afghanistan's social indicators, which serve as measures of self-reliance, have greatly improved. Today, there are 35,000 fewer infant deaths per year than in 2002. Access to basic drinking water has increased

³¹ <https://worldjusticeproject.org/our-work/wjp-rule-law-index/wjp-rule-law-index-2017%E2%80%932018/factors-rule-law/order-and-security-factor>

³² Tolo News, "Residents Protest Rise in Crime in Kabul City." May 17, 2017. Available at: <https://www.tolonews.com/afghanistan/residents-protest-against-%E2%80%99rise%E2%80%99-crime-kabul-city>. Accessed, April, 2018.

³³ "Lührmann, Anna; Marquardt, Kyle L.; Mechkova, Valeriya. "Constraining Governments: New indices of vertical, horizontal and diagonal accountability." Varieties of Democracy Institute. 2017. Available at: https://www.v-dem.net/media/filer_public/9f/ff/9fffb5f8-9399-4e3d-ba60-f8341c177343/v-dem_working_paper_2017_46.pdf. Accessed August 8, 2018.

³⁴ GIROA, Afghanistan and International Community: Commitments to Reforms and Renewed Partnerships, report prepared for the London Conference on Afghanistan, December 2014, <https://www.afghanembassy.us/news/afghanistan-and-international-community-commitments-to-reformsand-renewed-partnership/>

³⁵ <http://www.acbar.org/upload/1509511098944.pdf> pg 68

by 36 percent from 2000 to 2015.³⁶ The number of children in school has increased from 900,000 in 2002 to 9.2 million in 2018, 39 percent of which are girls, according to the Ministry of Education (MoE).³⁷ Despite these gains, Afghanistan's social indicators are low compared to other low- and middle-income countries, and they have been backsliding in recent years due to factors such as increasing insecurity, the continued weakness of GoA institutions, and low economic growth.³⁸ As a result, Afghanistan remains one of the poorest and least developed countries in the world. According to the most recent Afghanistan Living Conditions Survey, 54.7 percent of Afghans live in poverty,³⁹ which is an alarming rise from the 2007/08 level of 36 percent and higher than the percentage of Afghans living in poverty in the immediate post-Taliban era (51 percent).⁴⁰ Many Afghans still lack basic necessities, including safe water, sanitation, health care, and education services. This is most prevalent in agriculture-dependent rural areas, where around two-thirds of the population live, but exists in urban areas, as well, as cities in Afghanistan continue to grow rapidly and strain the government's ability to provide services.⁴¹

The Afghan government recognizes this problem, and the ANPDF includes a plan for improving service delivery through a number of NPPs, including Citizens' Charter (CC). The CC, a multi-ministerial program administered through the ARTF, is a compact between the government and citizens to hold the government more accountable for the delivery of basic services through strengthened Community Development Councils (CDC).⁴² Support for CC will also be leveraged in areas that reach local peace agreements to further promote the reconciliation process. USAID plans to work with the GoA to improve service delivery and arrest the backsliding of social indicators.

Citizen capacity can also be measured by the poverty rate, which is rising in Afghanistan. This is believed to be driven by unequal distribution of economic gains and uncontrolled capital flight. When the Afghan economy grew at an average rate of 10 percent per year from 2005-2012, poverty did not fall by a corresponding amount. Now that economic growth is 2-3 percent per year, poverty is rising.⁴³ Where growth occurs, it tends to benefit Afghanistan's elite who then export their earnings to regional financial centers, thinking Afghanistan is too risky or difficult for investment. Under this strategy, USAID will help Afghanistan achieve more equitable growth.

Capacity of the Economy

Afghanistan's GDP per capita, a key measure of self-reliance capacity, is significantly lower than that of other low-and middle-income countries. Although the Afghan economy has grown almost tenfold since 2001, it has stagnated in recent years due to the international military drawdown and decreased donor

³⁶ WHO/UNICEF JMP, "Drinking Water, Sanitation and Hygiene Service Levels Afghanistan (2015)". <https://washdata.org/data#!/afg>. Accessed: June, 2018.

³⁷ USAID/Afghanistan: "Our Work:" Education. Available at: <https://www.usaid.gov/afghanistan/education>. Accessed, June, 2018.

³⁸ Central Statistics Organization (CSO), Ministry of Public Health (MoPH), and ICF. 2017, "The 2015 Afghanistan Demographic and Health Survey". Available at: <https://dhsprogram.com/pubs/pdf/FR323/FR323.pdf>. Accessed: March, 2018.

³⁹ Central Statistics Office of Afghanistan. "Afghanistan Living Conditions Survey, 2016-2017". May, 2018. Available at: <http://cso.gov.af/en/page/1500/1494/nrav-report>. Accessed: June, 2018.

⁴⁰ Bjelica, Jelena and Ruttig, Thomas. *The State of Aid and Poverty in 2018: A New Look at Aid Effectiveness in Afghanistan*. Afghan Analysts Network, May 17, 2018. Available at: <https://www.afghanistan-analysts.org/the-state-of-aid-and-poverty-in-2018-a-new-look-at-aid-effectiveness-in-afghanistan/>. Accessed June, 2018.

⁴¹ World Bank, "Leveraging Urbanization in Afghanistan". Undated. Available at: <http://www.worldbank.org/en/country/afghanistan/publication/leveraging-urbanization-afghanistan>. Accessed: June, 2018.

⁴² World Bank, "Citizens' Charter Afghanistan Project Appraisal Document", October 6, 2016. Available at: <http://documents.worldbank.org/curated/en/25739147792873512/pdf/PAD-Citizens-Charter-Afghanistan-P160567-Oct-7-Board-version-10072016.pdf>. Accessed: March, 2018.

⁴³ Bjelica, Jelena and Ruttig, Thomas. *The State of Aid and Poverty in 2018: A New Look at Aid Effectiveness in Afghanistan*. Afghan Analysts Network, May 17, 2018. Available at: <https://www.afghanistan-analysts.org/the-state-of-aid-and-poverty-in-2018-a-new-look-at-aid-effectiveness-in-afghanistan/>. Accessed June, 2018.

funding.⁴⁴ The private investment needed to stimulate the Afghan economy is deterred by a poor business climate, including political instability, insecurity, weak institutions, weak rule of law, corruption, low levels of human capacity, lack of reliable access to electricity and other basic services, and an underdeveloped financial sector. Testament to these facts is Afghanistan's ranking of 167 out of 190 countries in the 2018 World Bank Doing Business report.⁴⁵ As of 2016, more than half of the economy is import-dependent, with export-oriented economic activity accounting for less than a quarter of the economy.⁴⁶ High-value Afghan products like pomegranates, pine nuts, apricots, spices, gems, marble, and carpets all have potential for export growth. Strengthened market linkages and quality and production capacity building are needed to reach that potential.

Also driving Afghanistan's slow development progress are low crop yields due to drought conditions and a shortage of irrigated land caused by a lack of water for agriculture. These climate change-driven challenges generate deep food insecurity, especially when compounded by food transport problems from poorly maintained or flood-damaged roads and adverse conditions at border crossings. Food insecurity aggravates other social development problems by causing malnutrition and threatening maternal and child health,⁴⁷ and has far reaching economic effects because Afghanistan's economy remains primarily agricultural, employing 59 percent of its workforce and accounting for one third of GDP.

Despite these challenges, the Afghan private sector, although nascent, is poised to internationalize and grow. Afghanistan's membership and participation in regional integration initiatives such as the Chabahar Port, Lapis Lazuli Transit Agreement, World Trade Organization (WTO) Accession, Air Corridor Program, and regional infrastructure projects like the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline and the Central Asia-South Asia (CASA) power project are creating new business opportunities for the Afghan private sector in terms of investments, exports, and international joint ventures. Also as a result of these initiatives, producers realize they will have to comply with international quality and regulatory standards in order to do profitable and long-lasting business with the rest of the world.

The GoA and the private sector recognize that competitive exports can accelerate economic growth. Accordingly, in 2018 the GoA launched a comprehensive National Export Strategy (NES) that is the product of thorough consultation and collaboration with the Afghan private sector across six export sub-sectors. These export sub-sectors have tremendous potential for international sales, job creation, and generation of government revenue. The NES and the Private Sector Development National Priority Program, the GoA's strategy for private sector development, demonstrate that the Afghan private sector is prepared to engage in major local and regional economic projects.

Agriculture, the biggest driver of the Afghan economy, presents major opportunities for job creation, poverty reduction, and economic growth. Expanding the basic agricultural economy to include food processing and increasingly advanced food products could help Afghanistan become a more stable industrial and service-based economy. The government recognizes that economic growth and revenue are essential to achieving sustained development and self-reliance, and that agriculture is a gateway to more

⁴⁴ The World Bank, "Afghanistan Development Update", November 2017'. Pg. 3. World Bank, Washington, DC. Available at: <https://openknowledge.worldbank.org/handle/10986/28928>. Accessed: March, 2018.

⁴⁵ The World Bank. "Doing Business 2018, Ranking of Economies" Published, October 31, 2017. Data benchmarked, June, 2017. Available at: <http://www.doingbusiness.org/rankings>. Accessed: March, 2018.

⁴⁶ See: Afghanistan's National Export Strategy 2018-2022. Ministry of Industry and Commerce, Islamic Republic of Afghanistan. Pg. 173. Available at: http://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Projects/AAT/AFG_Main%20NES.pdf. Accessed: January, 2019.

⁴⁷ The United Nations (UN) has raised concerns over a possible drought in Afghanistan in 2019, as the lack of rain and snowfall this year threatens wheat production. See: Tolo News, "UN Concerned Over Possible Drought in Afghanistan," February 8, 2018. Available at: <https://www.tolonews.com/afghanistan/un-concerned-over-possible-drought-afghanistan>. Accessed: March, 2018.

complex and sustainable economic outcomes. USAID plans to continue to leverage the country's investment in agriculture under this strategy.

USAID's Comparative Advantage

USAID's greatest advantage is the wide range of technical expertise its experienced professionals bring to Afghanistan's development challenges across economic growth, agriculture, infrastructure, democracy and governance, agriculture, health, and education sectors. USAID applies the lessons learned from 17 years of development projects in Afghanistan. USAID's ability to collaborate with donors, the USG interagency, the Afghan government, and other organizations is also one of the Agency's comparative advantages in Afghanistan. USAID coordinates partnerships between private companies and the Afghan government, and encourages international donors and civil society to participate in development conferences on Afghanistan. USAID is a strategic thought leader, able to bring action out of good ideas and match resources to development problems in innovative ways, including through programs and as a member of multi-donor development efforts like the ARTF.

Lessons Learned and Strategic Shifts

This strategy reflects key decisions to help lay the groundwork for the eventual transition of USAID's relationship with Afghanistan. These decisions are based on analyses, evaluations, audits, and other effective development approaches; development challenges and opportunities; USAID's comparative advantage vis-a-vis other donors; lessons learned from the implementation of the Mission's prior strategy, the Plan for Transition (2015-2018); and core self-reliance approaches, such as private sector engagement. Higher-level USG strategies also frame USAID's development approach, and the DOs pursued in this strategy coordinate with the direction of the Integrated Country Strategy, and the South Asia Strategy. Most importantly, USAID's goals and objectives are well aligned with those of the GoA. This alignment was achieved in part through more than 70 sector-specific consultation meetings with the government and other partners during strategy development.⁴⁸ USAID anticipates its programming to align with the forthcoming Geneva Mutual Accountability Framework (GMAF) goals, an agenda to be agreed upon by the GoA and the international community at the November 2018 donor conference in Geneva.

USAID's key lessons learned and strategic shifts include the following:

- **Shift to a private sector approach:** Since the GoA does not generate sufficient revenue to support itself and USAID has seen limited impact from government-focused capacity building, this strategy emphasizes engaging the private sector to create jobs and increase public revenue. Previous economic growth efforts centered on improving the quality of agricultural inputs and increasing overall crop production. USAID will now focus on engaging private sector entities supporting value chains which take a product from conception to end market use, with particular emphasis on high-value and readily exportable products. USAID has learned from previous programs that the value of increased and higher quality production fails to benefit Afghans – because many value-added activities take place outside the country. Our private sector approach intends to support higher value products and keep those value-added benefits within Afghanistan as much as possible. Previous achievements, such as the WTO accession, improving customs and trade environment, and increasing regional interest in Afghanistan's products give this strategy a high probability of success. USAID has learned that private sector investment can enhance public services, particularly in health and education. Therefore, USAID will expand partnerships with the private sector to deliver educational services, such as affordable private schools, and to strengthen educational value chains such as local printing of textbooks. Greater private sector

⁴⁸ Ministry of Finance, Government of Afghanistan, "Urban National Priority Programme." Available at: <http://policymof.gov.af/urban-national-priority-programme/>. Accessed: March 2018.

participation in pharmaceuticals, laboratories, hospitals, and clinics can increase health service availability and quality as well.

- **Shift in focus to exports:** The shift to an export-oriented strategy is grounded in efforts to leverage the strength of the private sector, connect Afghanistan to regional markets, and concentrate development interventions where they encounter the fewest obstacles. USAID has learned that large-scale public sector capacity building has limited impact on development because of internal patronage networks, lack of political will, and corruption. But, due to a profit motivation, private sector enterprises have vast potential to generate the economic growth needed to lift Afghans out of poverty. Unfortunately, the difficult business environment, poor transportation infrastructure, and market entry barriers created by corruption and rent seeking behaviors, stifle domestic economic growth. Exporting Afghan goods from market hubs circumvents many of the domestic barriers to trade and allows much of the profit to benefit producers. There is strong regional demand for high value Afghan products that generate sufficient profit to justify export costs. These include pomegranates, pine nuts, apricots, spices, gems, marble, and carpets, among others. As exports grow, market hubs have the potential to generate jobs and public revenue through value-added processing.

This export-oriented strategy builds on the years USAID and the GoA spent developing regional export markets and improving the policy and business environment.⁴⁹ It also aligns with the GoA's efforts to make Afghanistan a center of economic cooperation, as stated in the ANPDF and the NES. Several nascent trade corridor agreements, such as the Lapis Lazuli Transit Agreement, the Chabahar Agreement, and Afghanistan's recent WTO accession have created an atmosphere amenable to increased exports. Until the mineral and non-agricultural manufacturing sectors develop, the agriculture sector will be the greatest generator of foreign exchange and government revenue needed to help offset projected reductions in foreign assistance. USAID sees the regional economic integration, job creation, and public revenue generation from high-value product export activity as vital to Afghanistan's growing self-reliance.

- **Creating conditions necessary for peace:** USAID recognizes that a peace agreement and end to conflict are crucial for Afghanistan's long-term prosperity and self-reliance. This strategy will help create the conditions necessary for peace by promoting private-sector-led growth, social gains needed for a more inclusive society, and government accountability. This approach addresses key drivers of conflict, and thus helps promote peace and stability. Support for CC, an Afghanistan NPP, will be leveraged in areas that reach local peace agreements to further promote the integration process.
- **Prioritization of market-centers:** To maximize impact, USAID will prioritize investments in market centers where most Afghans live, facilitating projects that connect rural areas with five targeted, population-centric market centers: Kabul, Kandahar, Herat, Mazar-e-Sharif, and Jalalabad. For example, USAID will continue to work with export value chains, from the supply of inputs — often from rural areas — to value-added processing and export functions in urban areas. USAID will work to increase the productivity, efficiency, and connectivity of these value chains, which will strengthen ties between rural producers and urban service providers, and enable more broad-based economic development. USAID also anticipates that the reduced security challenges and better government services available in these targeted areas will make our programming more effective. This shift is evident across all DOs.

⁴⁹ Daniel Vose and Shoukat Khurram, "Five Ways to Increase Afghan Exports." Chemonics International. April 24, 2018. Available at: <https://www.chemonics.com/5-ways-to-increase-afghan-exports/>. Accessed: June, 2018.

- **Shift to conditions-based programming:** This strategy shifts away from USAID-generated development objectives and fixed programming and instead encourages conditions-based, collaborative objectives formed in partnership with the GoA. USAID believes that building incentives into programs and emphasizing development benchmarks as a condition to continued aid best utilizes existing Afghan capacity and offers a better chance for achieving development objectives and increased self-reliance. This shift is evident in our support to the ARTF Incentive Program, which incentivizes the GoA to advance policy and institutional reforms in areas such as Electronic Payments and Mobile Money; Civil Service; Business Environment; Power Utility; Land Governance; Water Productivity; and Climate Resilience. USAID support to the ARTF Incentive Program will advance our work across all DOs.
- **Shift away from counternarcotics and alternative development programming:** USAID has transitioned support for counternarcotics programs, including AD programming, to INL, which is strategically placed to incorporate AD into its law enforcement efforts. USAID found its AD programs had limited effectiveness, due to a lack of political will, corruption, and economic disincentives. USAID will now invest in broad-based economic growth and help create high-value markets for AD products, thus promoting incentives for the switch from illicit to licit crops. USAID will continue to coordinate closely with INL to ensure synergies between programs.
- **Shift away from stabilization programs:** USAID no longer supports stabilization programs, as these programs consisted of quick-impact activities meant to (1) provide immediate employment and income in insecure areas; and, (2) address grievances and sources of conflict within communities. USAID now invests in achieving longer-term development goals through municipal engagement to improve service delivery and revenue generation, increase private-public-partnerships, and enhance civic and political engagement.
- **Shift away from traditional government capacity building:** USAID found that long-term technical assistance staff hired through contractors to teach Afghans sometimes displaced their civil servant counterparts, creating an atmosphere of dependence and confusion. USAID has transitioned to a more targeted capacity building approach, including working with other USG agencies that have a particular technical expertise. USAID will facilitate partnerships with civil society and private enterprise to improve overall quality of governance and economic growth.
- **Shift away from large infrastructure programs:** USAID is pivoting away from on-budget support for infrastructure and other capital projects toward private-sector investment and operations of much of this infrastructure, which will help increase Afghanistan's self-reliance. This shift is evident in DO 1.

Country Transition Planning and the End State

USAID's first ever CDCS for Afghanistan completes the Mission's transition from stabilization to long-term, broad-based development and to a more mature relationship with the GoA. Within the next five years, USAID aims to help Afghanistan achieve the following results to support stronger self-reliance, promote conditions for peace, and eventually transition to a more traditional bilateral relationship. As noted below, some of these results are not achievable within the life of the strategy and will require continued investment by USAID and the GoA on Afghanistan's journey to self-reliance.

- **Elections:** The GoA is expected to have improved its management of elections, while reducing its reliance on technical assistance from the international community. Moreover, it is expected to have achieved electoral reforms that will provide Afghan citizens with a greater voice in how they are governed and enhance opportunities for candidates from diverse backgrounds and age groups to run for elective office. Youth will be prepared to breathe new life into the electoral

landscape as candidates. Women will establish networks of support that increase their chances of success as candidates in local, regional, and national elections. Afghanistan's electoral processes will be more transparent and more in line with international standards. By the end of the strategy, Afghanistan will have taken important steps toward electoral self-reliance and political stability.

- **De-concentration/Delivery of improved public services:** Provincial actors will understand their roles and responsibilities in improved public service delivery, and subnational government entities will take greater responsibility in service delivery. Provincial Councils are expected to conduct their oversight and monitoring functions in a manner that enhances equitable and transparent allocation of resources at the subnational level. Partner municipalities are expected to become financially self-reliant and able to execute public private partnership projects independently, which will result in increased revenue generation, and minimal reliance on external technical assistance. Provincial Line Departments (PLDs) will coordinate their community service delivery efforts closely with CDCs established by CC.
- **Exports:** The GoA will have established functional export processing facilities and procedures, including air cargo terminal facilities, storage, and product finishing capabilities. An improved customs regulatory environment will facilitate domestic investment and increased air exports. Regional connections to urban market centers in Afghanistan will be strengthened through robust public private partnerships and the establishment of private sector enterprises in the country. However, many economic growth reforms will take longer than the duration of this strategy. Significant changes in macroeconomic indicators such as the unemployment rate, inflation, and GDP growth may be partly attributed to USAID interventions but only in the long run.
- **Private sector investment:** USAID's firm-level support to export-oriented businesses is expected to expand domestic investment by a revitalized private sector. Beyond the firm-level, USAID will have supported value chain development of key, high-value products to ensure a steady supply of export goods. This will further increase domestic investment and will help lay the groundwork for FDI. However, foreign investment will likely only begin to see significant movement beyond the life of this strategy as the operating environment in Afghanistan will continue to hold unacceptable levels of risk for the foreseeable future.
- **Domestic revenue generation:** By the end of the strategy period, the successful budgetary relationship USAID has fostered between 16 Afghan municipalities and the Ministry of Finance is expected to extend to smaller municipalities in all areas controlled by the GoA. USAID will have strengthened the revenue collecting ability of national utility entities, particularly as electricity access and clean water service expands, and strengthened the policy and investment infrastructure to capture revenue from extractives.
- **Extractives:** USAID will continue to assist the GoA in forming an enabling policy environment for the extractives industry and transition mining operations from informal and illicit operations to licit and formal economic activity. However, USAID expects that helping the GoA to establish licit mining operations, expand them to scale, and export extractives will be a longer-term effort that will not be fully realized over the course of this strategy.
- **Corruption:** The GoA is expected to have reduced vulnerability to corruption in revenue-generating ministries by reforming procedures through Business Process Redesign. Revenue-generating ministries will have integrated Corruption Risk Mitigation into their operations. In the Judicial Branch, reformed operational processes and transparency in the application of Afghan law will reduce vulnerability to corruption. However, corruption will likely remain a pervasive issue requiring consistent vigilance.

- **Civil Society:** This sector in Afghanistan will be credible, capable, and serve as an effective bridge between government and citizens. Civil society serves as a watchdog in demanding accountability, influences policy-making, and calls for improved service delivery through institutional mechanisms of cooperation and Afghan-led advocacy. Afghan CSOs are expected to effectively engage with government, demonstrating their capacity, sector knowledge, and coordination expertise. By the end of this strategy, the GoA will have established a functional legal, regulatory, and policy environment governing civil society and media. The media sector will be strong, independent, and diverse, providing accurate, trusted news and information for various audiences around the country. Women and youth are expected to participate as leaders in civil society and media programming. Local citizens and private sector entities will trust CSOs to represent their interests effectively and conduct activities that benefit communities.
- **Gender Equality and Female Empowerment:** Gender disparities in access to, control over, and ability to benefit from resources will be reduced. Women and girls will increase their capability to realize their rights, determine their life outcomes, and influence decision-making in households, communities, and societies. By the end of this strategy period, USAID also expects that impunity for trafficking in persons and gender-based violence is decreased and resources are enabling the rehabilitation of victims.
- **Health:** Afghans will enjoy basic health care and essential hospital services through a strengthened public health system working to reduce child and maternal mortality, prevent tuberculosis-related deaths, tackle childhood malnutrition, improve the use of modern family planning (FP) methods, and eradicate polio.
- **Education:** By the end of this strategy, more Afghans, especially children and youth, will attend schools and learning institutions, stay in school longer, and receive a quality education. Reforms implemented are expected to allow students to advance their education, increase their potential economic productivity and employability, strengthen their ability and desire to participate constructively in the democratic process, and raise their living standards and quality of life.

Collaboration with Other USG Agencies

Over the past 17 years, USAID has worked closely with the USG interagency and will continue to do so during the implementation of this strategy.

Civilian-Military Coordination

At the height of the U.S. military and civilian surge in 2011, USAID, like the Department of State (DoS), had several hundred staff assigned throughout provinces in Afghanistan, on district, provincial, and regional U.S. military platforms, coordinating closely with USG interagency colleagues on development and stabilization activities implemented in collaboration with GoA officials. This co-location ended in 2014, and all USAID personnel are now assigned exclusively to the U.S. Embassy in Kabul, where they coordinate with the U.S. military on development issues. USAID staff contribute to pre-deployment briefings for incoming senior military leadership, and participate in joint planning and policy-making exercises. USAID will continue civilian-military coordination as security conditions and mission policy permit.

Interagency Coordination

In addition to coordination with the U.S. military, USAID co-chairs the Economic Working Group of the US-Afghan Bilateral Compact and participates on the Governance, Peace, and Reconciliation Working Groups. USAID utilizes interagency agreements to obtain expert technical services. For example, the U.S. Army Corps of Engineers provides technical assistance for USAID energy projects while the U.S.

Department of Commerce provides technical assistance for USAID's Multi-Dimensional Economic Legal Reform Assistance (MELRA) program. USAID also works with the U.S. Departments of Commerce, the U.S. Department of Treasury, and the U.S. Geological Survey to provide technical assistance to the Afghan government focused on the extractives sector, Afghanistan's membership in the WTO, banking, public finance, taxation regimes, privatization of government land, and the development of public-private partnerships.

USAID also works with the U.S. interagency in developing joint strategies, including the Integrated Country Strategy (ICS), which involves all USG agencies at the U.S. Embassy in Afghanistan, in collaboration with USAID's Asia Bureau and the DoS. As a result, this CDCS closely aligns with the work of U.S. interagency partners and the ICS. Both the ICS and the CDCS emphasize the role of private sector-led economic growth in the next phase of development for Afghanistan and the region and highlight the importance of continuing to protect human rights, civil society, and media independence, as well as improving transparency, the rule of law, and combating corruption at all levels. They also include an emphasis on free and fair democratic processes, given the upcoming elections, and on empowering women in all areas of public life. The USG continues to support efforts for peace negotiations between the Taliban and the GoA, and these strategies help promote the conditions for peace.

Collaboration with Other Donors

The international community continues to support Afghanistan. Biennial conferences in Tokyo (2012) and London (2014) showed tangible support for the country's development, and the latest pledging conference in Brussels (2016) generated \$15.2 billion in commitments from donors for economic assistance.⁵⁰ The GoA and international community also established coordinating mechanisms to track the progress of reform plans in Afghanistan, including the Self-Reliance through Mutual Accountability Framework (SMAF), the Joint Coordination and Monitoring Board, and Senior Officials Meetings (SOM). Donors are currently planning for the Geneva Ministerial (November 2018), at which Afghanistan will report on reforms promised at Brussels (2016).

USAID collaborates with the World Bank and other donors through the ARTF. This support has helped the GoA make significant development gains in health, education, and other sectors, described in more detail in the following sections. USAID programs complement and reinforce the efforts of our partners and fully align with the GoA's strategic priorities.

Sustainable Development Goals (SDGs)

Afghanistan has committed to the Sustainable Development Goals (SDGs), set forth at the UN General Assembly in 2015.⁵¹ These goals are a collection of 17 global goals, designed to work together, that were adopted by world leaders. Afghanistan has designated the Ministry of Economy as the lead for the SDGs. The ministry finalized national SDG targets and indicators and aligned them to the Afghanistan National Peace and Development Framework, the NPPs, and the budgeting process. The results of these goals are to be achievable by 2030. The GoA's implementation plan includes cooperation with multiple stakeholders, including civil society, private sector and government entities.

USAID's programming will contribute to a number of the SDGs, including food security (goal 2), health (goal 3); education (goal 4); gender equality (goal 5); clean water and sanitation (goal 6); economic growth (goal 8); infrastructure (goal 9); climate action (goal 13); peace, justice and strong institutions

⁵⁰ Afghanistan Ministry of Foreign Affairs, "Brussels Conference on Afghanistan, Partnership for Prosperity and Peace." October 2016. Available at: <http://mfa.gov.af/en/page/the-brussels-conference-on-afghanistan>. Accessed: March, 2018.

⁵¹ UN Sustainable Development Knowledge Platform, "Ministry of Economy Report: Voluntary National Review 2017" Available at, <https://sustainabledevelopment.un.org/memberstates/afghanistan> and https://sustainabledevelopment.un.org/content/documents/25565Afghanistan_VNR_Presentation_19_July_2017_.pdf Accessed: June, 2018.

(goal 16); and partnership for the goals (goal 17). These SDGs contribute to the DOs and IRs described in this CDCS. USAID contributes to achieving the SDGs in Afghanistan by developing partnerships, leveraging local capacity, and catalyzing private sector investments.

Use of Resources for Development Impact

To ensure responsible stewardship of development resources, this strategy includes geographic targeting in population-centers, performance incentives, government to government (G2G) assistance, and participation in multilateral donor efforts. USAID plans to focus its work in areas of concentrated economic activity that are under GoA control, which means they are secure enough for USAID to operate effectively and for USAID to use third-party monitors to verify program activities. Targeting these population centers allows USAID to focus resources on a large number of beneficiaries in a smaller area and pursue greater collaboration among programs and investments. In addition, with fewer security constraints, USAID assumes the GoA will be able to provide better quality government services, especially with USAID and other donor support. USAID will not abandon rural areas but will continue to support national health and education programs as well as educational services in difficult-to-reach and disadvantaged provinces through community-based education programs. Through the ARTF, we also support programs throughout Afghanistan, including CC, a GoA program in which grassroots level Community Development Councils (CDC) submit proposals for funding to complete small-scale, community determined projects. CC activities are expected to contribute to nation-building and the peace process by better connecting local governments and citizens.

USAID will continue supporting the ARTF Recurrent Cost Window Incentive Program (IP), which rewards the attainment of development benchmarks. The mechanism has been successful such that with the agreement of donors, the World Bank plans to move all donor funds to the IP on a gradual scale, under which aid is provided to the GoA based on the achievement of agreed and pre-defined targets for reforms. This approach aligns with the conditions-based component of the U.S. South Asia Strategy. USAID will continue to use incentives and benchmark frameworks for other sectors as well, particularly as USAID engages more with the private sector.

USAID will also support the provision of targeted technical assistance to GoA entities to most efficiently encourage reform, including USG experts serving in mentorship roles with key GoA units. Experts are able to focus on specific issues and effect change within these units. USAID has learned that this targeted approach is superior to a contractor based, whole-of-government capacity building approach.

Scenario Planning and Crisis Modifiers

As part of its Collaboration, Learning and Adaptation (CLA) approach, USAID will use Scenario Planning and context monitoring to remain aware of the current development context, identify potential risks or opportunities that could affect USAID programming, and examine operational assumptions and adapt to changing conditions using crisis modifiers and other adaptive mechanisms. USAID will focus on selected contingencies because the personnel and other resources needed to monitor the highly complex Afghan environment in its entirety would not justify the generated results. USAID believes each of the factors below will impact programming in some way during the strategy period:

1. Peace and Reconciliation
2. Climate Change
3. Food Insecurity
4. Natural Disasters
5. Returnees
6. Conflict

Based on observations and trends analysis, USAID will consider how possible changes to the operating environment might impact programming. Similar reviews will be conducted at the CDCS mid-course stock taking.

III. Development Hypotheses and Results Framework

Development Hypothesis

USAID assistance to Afghanistan from fiscal year (FY) 2019 to FY 2023 will be based on the development hypothesis that if USAID focuses on: (1) accelerating private sector-driven and export-led economic growth; (2) building on gains in health, education and women's empowerment; and, (3) increasing the government's accountability to citizens, then Afghanistan will become a more inclusive, economically viable, and self-reliant country with which the U.S. government can better partner in our national security strategy.

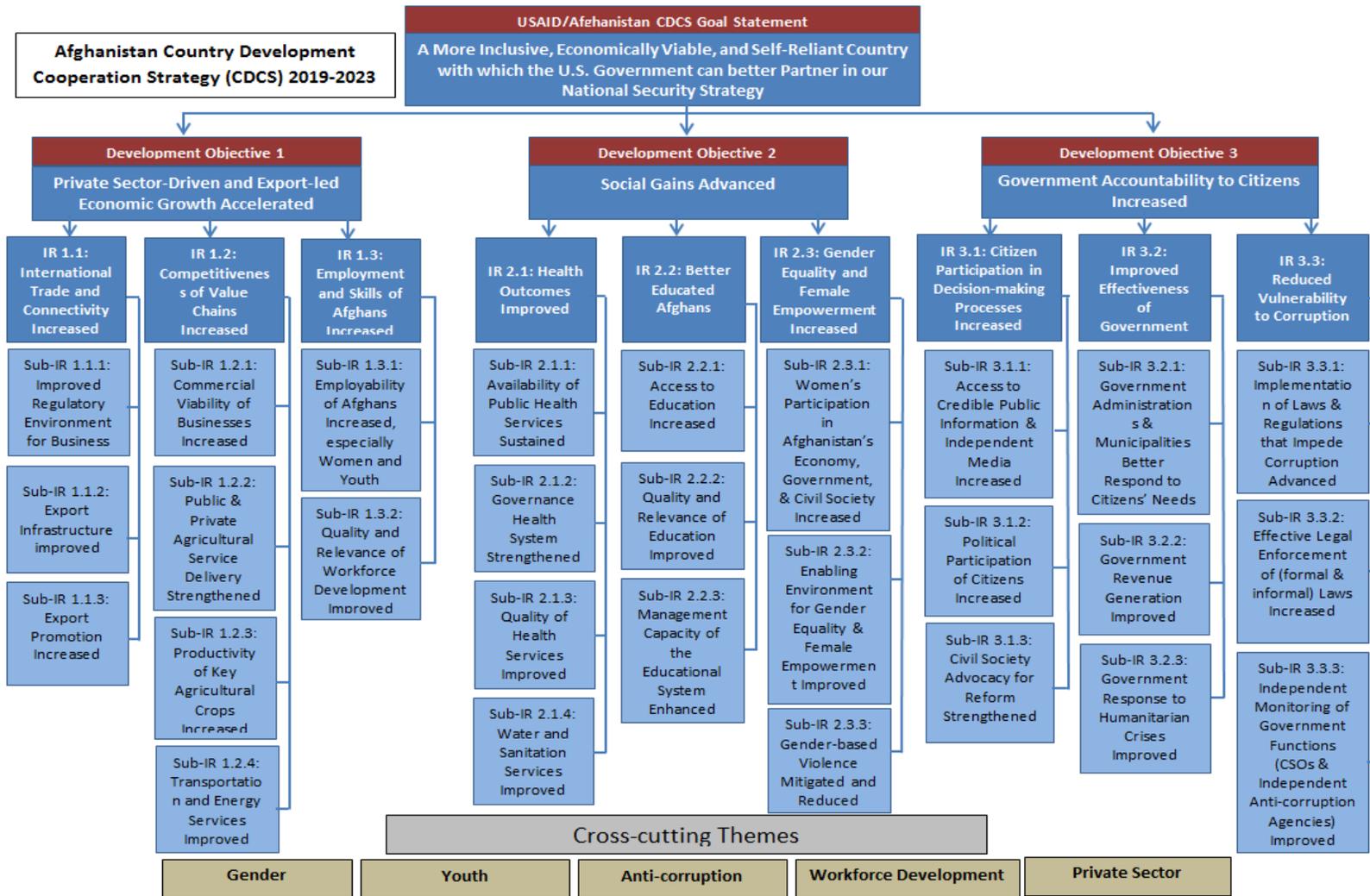
The DOs of the strategy include the following:

- Private sector-driven and export-led economic growth accelerated;
- Social gains advanced; and
- Government accountability to citizens increased.

USAID hypothesizes that enabling private sector investment and improving Afghanistan's trade competitiveness will help decrease the country's trade deficit and expand the government's revenue base. This will increase Afghanistan's economic viability and enable the country to become less reliant on donors. Advancing social gains in areas such as health, education, and women's empowerment will enable the country to become more inclusive, and increase the ability of Afghans to participate in the economy and contribute to their country's economic growth. Advancing social gains will also help the country become more stable, as Afghans gain confidence in their government's ability to achieve reforms and deliver services. Increasing the government's accountability to its citizens — their ability to be heard and hold the government responsible for its (in)actions — will also help improve the country's stability and inclusivity, as Afghans' trust in their government improves and the participation of citizens and civil society in governance expands. All DOs are designed to contribute to the stability, and ultimately, increased self-reliance of Afghanistan because they address key drivers of conflict that have enabled the Taliban to make gains, including corruption, unemployment, and a lack of government legitimacy. Achieving these objectives will help create the conditions necessary for peace.⁵² A country that is more inclusive, stable, and economically independent will be better able to partner with the USG in our national security strategy and help secure the country against a persistent insurgent threat.

⁵² Hadley, Stephen J., Andrew Wilder and Scott Worden, Washington Post, "Four Steps to Winning Peace in Afghanistan." https://www.washingtonpost.com/opinions/four-steps-to-winning-peace-in-afghanistan/2017/04/27/953fac4c-2b5a-11e7-a616-d7c8a68c1a66_story.html?utm_term=.8c918ce3bb9f. Accessed: April 27, 2017.

Results Framework



DO1: Private Sector-Driven and Export-Led Economic Growth Accelerated

Afghanistan's economy is a complex mix of informal, formal, legal, illicit, and assistance-sustained elements. It has been shaped by protracted conflict, low government capacity, foreign interference, and donor dependence. The formal Afghan private sector suffers from the trade and competition barriers typical of a landlocked country with uncooperative neighbors, and from a lack of capacity to produce higher-value products, as many value-added economic activities take place in neighboring countries.⁵³ Economic growth is constrained by crippling government bureaucracy and trade policies, poor infrastructure, and infant industries that lack the enabling environment to grow.⁵⁴ This difficult economic context translates into low scores on Trade Freedom and Business Environment indicators and necessitates the type of broad, collaborative interventions that are USAID's comparative advantage.

USAID will focus on private sector-driven, export-led economic growth under this strategy because of its importance to the self-reliance and stability of Afghanistan (and thus, the U.S.'s own national security), and because the Agency has laid the foundations for this work over the past 17 years. Analysis shows unrealized potential for economic growth, particularly in agriculture and the value chains within Afghanistan's largely agrarian economy. USAID also sees the potential for Afghanistan's economy to meet the South Asia region's growing demand for high-value agricultural products and other goods, as well as the public revenue generation and job creation that could come from increased exports. USAID is well-positioned to work in this area, with donor and business community connections to help facilitate Afghanistan's trade linkages. In addition, the GoA is strongly committed to economic growth through trade. USAID's approach leverages Afghanistan's capacity for trade and acknowledges the country's successful historic and geographic position as an intersection for commerce, a status reflected in its relatively high Export Concentration score on USAID's Self-Reliance roadmap.

The theory of change for this DO is that if USAID focuses on increasing international trade and connectivity; increasing the competitiveness of value chains; and increasing employment opportunities and skills of Afghans, then private sector-driven and export-led economic growth will be accelerated. The increased economic growth that these combined efforts generate will enhance public revenue, reduce poverty, and increase Afghanistan's self-reliance.

USAID assumes that the enhanced economic growth achieved under this DO will lead to increased private sector engagement and will incentivize the policy reform needed to encourage further economic strength. However, USAID is realistic about the risks to this approach and the reality behind the low economic capacity and commitment scores reflected in Afghanistan's Self-Reliance Roadmap. USAID realizes that corruption, uncooperative neighbors, and a failure of the GoA to reform the regulatory environment could jeopardize our efforts, leaving unemployment high and growth low. USAID assumes that security conditions will remain largely the same, though deterioration in security could prevent expansion of exports, most critically via air-cargo routes, which USAID hopes will pave the way for a more robust trade environment. Though not completely under USAID's control, USAID will address corruption and work to increase citizen engagement with the government across all of the DOs to mitigate the inherent risks in this private sector approach. USAID also sees secondary benefits from job creation efforts among youth as increased employment and employability give Afghans a safer and more lucrative alternative to working with insurgents.

⁵³ Stockholm International Peace Research Institute, "Afghanistan's Private Sector-Executive Summary." Available at: https://www.sipri.org/sites/default/files/2016-04/SIPRI_Afghanistans-Private-Sector_Executive-Summary.pdf. Accessed: June, 2018.

⁵⁴ Special Inspector General for Afghanistan Reconstruction, Lessons Learned Report, "Private Sector Development and Economic Growth," April 21, 2018. Available at: <https://www.sigar.mil/pdf/lessonslearned/SIGAR-18-38-LL.pdf>. Accessed: June, 2018.

USAID activities align with GoA strategies outlined in the National Comprehensive Agricultural Development Program (NCADP), the Agribusiness Charter, the ANPDF, and the NES. USAID will continue to cooperate with other donors, particularly by contributing to the wide ranging development activities in the ARTF. USAID will also maintain awareness of such strategies as the Asian Development Bank's Transport Sector Master Plan and progress in achieving the International Monetary Fund's Extended Credit Facility benchmarks. Such a collaborative approach will increase the potential impact of economic growth on other sectors. The approach opens opportunities for collaboration with other USAID overseas missions and operating units in Washington, DC and the wider development community, as well as partnerships with private sector actors. USAID believes that private sector success will encourage better governance greater social gains, beginning a virtuous cycle of government and private sector cooperation that eventually will lead to a more self-reliant Afghanistan. Thus USAID considers DO1 the most important set of programming interventions to achieve the overall CDCS goal.

IR 1.1: International Trade and Connectivity Increased

Connectivity to countries in the South and Central Asian corridor is vital for Afghanistan's long-term economic growth. The volume of trade between Afghanistan and Pakistan (once Afghanistan's biggest trading partner) has declined significantly.⁵⁵ This situation has forced Afghanistan to diversify its markets; trade with India and China, among other countries, has increased.⁵⁶ The GoA plans to advance these new trade relationships and increase international trade in the coming years, as evidenced by its WTO accession in 2016 and the development of a European Union assisted National Export Strategy in 2017.⁵⁷

Increasing international trade and connectivity will accelerate private sector-driven and export-led economic growth because it provides businesses access to more inputs and information and technology, increasing their efficiency and productivity.⁵⁸ Trade also promotes investment, which is key to growth.⁵⁹ USAID will help foster greater regional trade connections by improving Afghanistan's trade policy and regulatory environment, improving its export infrastructure, and promoting exports.

Afghanistan's NES acknowledges that cost and time are significant barriers to cross-border trade.⁶⁰ USAID will help simplify and standardize trade policies and regulations to increase Afghanistan's competitiveness in international markets, facilitate a healthy environment for domestic commerce, and ease restrictions on investment. This will also ease constraints on the movement of goods, including the establishment of export processing zones that improve export logistics at customs and reduce opportunities for corruption at airports in the five population-centric market centers, as well as other targeted improvements to existing infrastructure such as rail and roads. Finally, USAID plans to aggressively promote exports and connect international buyers with Afghan sellers.

Sub-IR 1.1.1 Improved regulatory environment for business

Afghanistan scores low on the Economic Policy section of the self-reliance roadmap, reflecting economic conditions adverse to progress in achieving self-reliance. The World Bank's Ease of Doing Business

⁵⁵ Express Tribune, January 24, 2018, "Bilateral Trade Between Pakistan, Afghanistan has Dropped by \$2b." Available at: <https://tribune.com.pk/story/1616577/2-bilateral-trade-pakistan-afghanistan-dropped-2b/>. Accessed: March 2018.

⁵⁶ Omid, Haidarshah, Tolo News, January 31, 2017, "Sharp Rise in Trade Volume Between Afghanistan and Iran." Available at: <https://www.tolonews.com/business/sharp-rise-trade-volume-between-afghanistan-and-iran>. Accessed: March 2018.

⁵⁷ International Trade Center, Afghanistan's National Export Strategy, 2018-2022, Peace Through Prosperity, Prosperity through Trade, Draft, pg. 15. Available at: <http://www.intracen.org/news/Afghanistan-launches-National-Export-Strategy/>

⁵⁸ World Trade Organization, 3 the WTO can... stimulate economic growth and employment. Available at: https://www.wto.org/english/thewto_e/whatis_e/t0hi_e/t0hi03_e.htm. Accessed: March 2018.

⁵⁹ International Trade Center, "Afghanistan's National Export Strategy 2018-2022," Peace Through Prosperity, Prosperity through Trade, Draft, pg. 16, June 10, 2018.. Available at: <http://www.intracen.org/news/Afghanistan-launches-National-Export-Strategy/>

⁶⁰ International Trade Center, Afghanistan's National Export Strategy 2018-2022, Peace Through Prosperity, Prosperity through Trade, Draft, pg. 9, June 10, 2018., Available at: <http://www.intracen.org/news/Afghanistan-launches-National-Export-Strategy/>

index on Afghanistan reveals that the main weaknesses of its enabling environment for business include: (1) dealing with construction permits; (2) registering property; (3) protecting minority investors; (4) paying taxes; (5) trading across borders; and, (6) enforcing contracts. In-depth analysis of the trade barriers reveals that Afghan exporters are at a significant disadvantage when compared to regional counterparts due to the high cost and time of cross border trade, as well as unfavorable regulations as reflected in the Roadmap's low Trade Openness score.⁶¹

USAID will address weaknesses in Afghanistan's business enabling environment through targeted technical assistance that focuses on sectors where the GoA has been slow to reform policy to adapt to the needs of the private sector.

USAID will support the simplification and standardization of policies and regulations to increase competitiveness in international markets, facilitate a healthy environment for domestic commerce, and ease restrictions on investment. USAID will work with the GoA, private sector, and international partners to formulate laws and policies to support trade, increase exports, promote transparency, and reduce trade barriers. USAID also plans to help Afghanistan reduce gaps in regulatory and administrative support mechanisms, such as sanitary/phytosanitary (SPS), traceability, and other regulatory frameworks. A private sector-friendly regulatory environment will allow Afghan businesses to more effectively compete in international markets and attract the type of investment that is vital for growth.

Sub-IR 1.1.2 Export infrastructure improved

Afghanistan can be a hub for international trade, given its links between Central and South Asia. It has established air links with other countries through which nearly half of its high value goods are exported. Afghanistan also has several rail links to northern neighbors (Uzbekistan and Turkmenistan) that are under-utilized and road links with all neighbors, many of which are poorly maintained and insecure. Improving Afghanistan's infrastructure through targeted investments with the private sector will help to connect the region and increase international trade.⁶²

USAID plans to conduct evaluations of airports in the five regional market centers upon which this strategy is focused to determine the infrastructure required to enable the export of goods. Ports of entry, including airports, require cold storage units to maintain the quality of produce. They need bonded warehouses where goods can be secured prior to being loaded on airplanes. USAID will seek private sector partners willing to invest in and operate the facilities, e.g., warehouses, cold storage units, separate cargo gates, and improved ramp facilities. Engaging with private sector partners will ensure sustainability of an export-oriented approach that will also lead to a more self-reliant Afghanistan. An assessment is underway to identify opportunities for utilizing the air, rail, and road connections in Mazar-e-Sharif for exports, and to improve ground transport corridors through Kabul to support commerce.

Sub-IR 1.1.3 Export promotion improved

In Afghanistan, exports account for around 20 percent of GDP,⁶³ supporting a large negative trade balance. Afghan enterprises currently fail to connect and compete in international markets as they lack market information and sufficient knowledge of trends and buyer expectations, and encounter intense international competition.

⁶¹ International Trade Center, *Afghanistan's National Export Strategy 2018-2022*, Peace Through Prosperity, Prosperity through Trade, Draft, pg. 9, June 10, 2018., Available at: <http://www.intracen.org/news/Afghanistan-launches-National-Export-Strategy/>

⁶² Asian Development Bank, *Afghanistan Transport Sector Master Plan Update (2017-2036)*, October, 2017. Pg. 18. Available at: <https://www.adb.org/sites/default/files/institutional-document/327561/afg-transport-plan-2017-2036.pdf>. Accessed, June, 2018.

⁶³ Afghanistan Development Update, World Bank, November, 2017. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/28928/121392-WP-P165541-PUBLIC-November-20-12-AM.pdf?sequence=1&isAllowed=y>. Accessed: June, 2018.

USAID plans to help Afghan exporters connect (and in some cases reconnect) to global markets by facilitating private sector access to regional and international markets and ensuring their products meet quality standards. This will be accomplished by bringing Afghan traders and their products to an increasing number of international markets. By exporting their goods to international markets, Afghan businesses will increase connectivity and trade and will be able to generate more income, resulting in increased investment and increased production capacity. These businesses will then need to employ more people to address the increased demand, thereby contributing to job creation.

IR 1.2: Competitiveness of Value Chains Increased

Historically, Afghanistan has been a major exporter of products to Asia and the Middle East. It is renowned for its beautiful carpets, precious and semi-precious gemstones, cashmere, silk, and specialty food items, including dried fruits and nuts, spices, saffron, fresh grapes, and pomegranates. In addition, Afghanistan has an estimated \$900 billion⁶⁴ in untapped raw natural resources, including copper, iron, other minerals, natural gas, and oil. The potential value of these resources and high-end exports is critical for the country's future economic growth.

Overall, the country is showing strong progress with exports, surpassing \$780 million in 2017, up from \$614 million in 2016, with a further 25 percent increase expected in 2018.⁶⁵ Over this same period, air cargo exports have more than doubled, from 1,877 tons in 2016 to more than 4,200 in 2017, with the total value of goods jumping by 55 percent, from \$249 to \$391 million in 2017.⁶⁶ These figures clearly demonstrate the economic power of air cargo and the relative strength of Afghanistan's economy in the export sector, a critical component of the Capacity of Economy indicator on the roadmap to self-reliance.

Increasing the competitiveness of value chains will build on these gains and accelerate private sector-driven and export-led economic growth. As the NES states, "Trade competitiveness helps build confidence in the economy as well as for companies and investors, which will in turn be a prerequisite for improving investment promotion efforts."⁶⁷ This increased investment will help spur growth.

USAID will support the private sector to develop competitive value chains, both agricultural and non-agricultural. Afghanistan has high quality products, the ability to provide high quality services, and enjoys a comparative advantage with similar products and services offered by regional competitors. Improving value chain systems will increase their competitiveness, helping producers to increase their sales. USAID will support the commercial viability of businesses and their ability to meet international standards by: strengthening public and private agricultural service delivery; improving animal and plant health and food safety systems; establishing cold chain systems; and improving transportation and energy infrastructure.

Support to businesses (both male and female owned/operated) will be targeted toward firms that have the potential to serve as "anchors" for key value chains in agriculture and other sectors, especially those that are best positioned to use investment capital, benefit from international partnerships, and generate both supply and demand along the value chain. USAID will help increase businesses' commercial viability through improvements to their processing, marketing, and financing. USAID will provide training and technical assistance to processors, packers, and input providers to help expand their services. USAID will also work with firms to increase their productivity and the quality of in-demand agricultural products. For in-demand agricultural products that have the potential to meet domestic or international markets, USAID

⁶⁴ Central Statistics Organization, "Export and Import by Country and Commodity": Quarterly Reports, <http://cso.gov.af/en/page/economy-statistics/6323/quarterly-trade>

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ International Trade Center, Afghanistan's National Export Strategy, 2018-2022, Peace Through Prosperity, Prosperity through Trade, Draft, pg. 9. <http://www.intracen.org/news/Afghanistan-launches-National-Export-Strategy/>

support will improve or rehabilitate irrigation systems, reduce post-harvest loss, and improve marketing capabilities. Working with the private sector will include building businesses' capacity to increase gender equality and diversity to bring a wider pool of talent into the business environment. Finally, USAID aims to increase the quantity and quality of the energy supply, and the government's capacity to manage maintenance and expansion of Afghanistan's transport network. These improvements will help facilitate trade and domestic commerce.

Sub-IR 1.2.1 Commercial viability of businesses increased

While Afghanistan has seen progress in its ability to export goods, decades of conflict have damaged the Afghan economy and isolated it from international markets. Afghan traders often sell unfinished products at below-market rates to neighboring countries that conduct the value-added processing and marketing (e.g., carpet washing and cutting; sorting, grading and packaging of fruits and nuts, animal skins and leather products), which makes Afghan businesses less willing to invest in producing non-agricultural export-quality finished goods. In addition, limited access to regional and international markets for most Afghan micro, small and medium-enterprises (MSMEs) reinforces firms' lack of marketing knowledge and value-added processing capacities.

Increasing commercial viability of businesses requires access to finance, business development services, obtaining certifications for export markets, and strengthening financial and operational capacity. In addition, the viability of businesses is directly linked to the growth and competitiveness of the overall value chain and their ability to capture increasing value from it. Thus, interventions will both increase the capacity of individual firms and improve the overall markets in which they compete.

Targeted support to Afghan MSMEs and export-oriented value chains will increase their understanding of international market demand; enable them to improve their marketing, distribution, and product development capacities; strengthen their value chains; improve their access to and use of new technologies; and facilitate their access to appropriate finance for business growth. Expansion in this area holds potential for increased women's and youth participation in economic opportunities and jobs. A 2018 World Bank report entitled "Jobs from Agriculture in Afghanistan" estimated that interventions in value chains such as livestock and high-value crops created 34,847 new jobs in 2017, and that "Developing agricultural value chains is key to raising productivity and supporting job creation in Afghanistan."⁶⁸ Targeted MSME support is a key part of increasing Afghanistan's Capacity of the Economy score on the roadmap to self-reliance. Strong MSMEs can form the backbone of the Afghan economy and insulate it from the swings which characterize an economy composed of a few, large firms. Such an economy can better generate jobs and domestic product growth, increasingly sustain government services with steady public revenue, and ultimately lead to advances in achieving self-reliance.

Sub-IR 1.2.2 Public and Private Agricultural Service Delivery Strengthened

Building more competitive agricultural value chains requires a strong service delivery infrastructure from both the public and private sector. To produce competitively for markets, farmers need access to agricultural inputs, such as seed stock, as well as improved technologies to increase efficiency in harvesting and processing. Agricultural producers also need market information and business development and export assistance in order to produce based on demand and connect to market centers to sell their products at market prices. Often, these services are unavailable or producers are discouraged by an adverse policy environment. USAID programs will increase the quality of these services by working with agricultural extension services and by leveraging private sector businesses higher on the value chain to provide high-quality inputs, technology, and market information to lower-end value chain producers.

⁶⁸ World Bank report on "Unlocking the Potential of Agriculture for Afghanistan's Growth" issued May 6, 2018. <http://www.worldbank.org/en/country/afghanistan/publication/unlocking-potential-of-agriculture-for-afghanistan-growth>

USAID previously focused much of its effort on increasing capacity of the GoA, especially the Ministry of Agriculture, Irrigation, and Livestock (MAIL) staff, to provide services. While targeted GoA capacity building programs on issues such as agricultural research and regulatory enforcement will continue, USAID will focus increasingly on strengthening the private sector to provide services. This includes agribusinesses that sell inputs and implements, and firms that process, package, or provide certification services. These businesses are well positioned to provide information to farmers about improved agricultural practices. Private sector service providers, such as certifiers, exporters, and freight forwarders, could act as a gateway to domestic, regional and international markets. Their role may include the provision of supply contracts with producers, which will orient farmers to the demands of end-market buyers in terms of quality, quantity, and consistency, thereby providing farmers the competitive edge that comes with specific and relevant knowledge. Stronger private sector service delivery will increase sustainability as farmers will not be reliant on government provided inputs and services. The expansion of private service delivery will create higher paying jobs and improve producer and processor competitiveness in domestic and international markets.

Sub-IR 1.2.3 Productivity of Key Agricultural Crops Increased

During the development of the NCADP and the NES, MAIL conducted an extensive assessment of agricultural value chains to determine how and whether products moved from production to market. USAID will use this analysis to set priorities in making value chains more productive. Increased productivity in this sub-IR goes beyond crop yields to address product quality and consistency, post-harvest loss, the viability of value-added activities such as processing and packaging, as well as certifications and marketing for export. Addressing these post-production issues means more farmers participate in the value chain and that all participants have better and more marketable products to sell. USAID believes that higher quality and market sensitive production will dramatically increase producers' competitiveness. High value products also attract private sector buyers and investors who typically are willing to devote resources and build partnerships to increase productivity through developing higher end value chain activities such as processing and packing. Increased production coupled with quality processing can translate to sales in additional markets, the kind of growth that creates jobs and income.

USAID programming will emphasize the productivity improvements that increase competitiveness by connecting end-markets with producers and processors. In other words, the market will define what is produced and at what quantity and level of quality. Producers respond with appropriate goods and with the support of processors who know their buyers' specifications. Buyers complete the information loop by passing demand information back to producers who then adjust quality and quantity as needed. Products refined by this value chain process are highly competitive, reach more extensive markets, and command higher prices. Private sector actors in collaboration with civil society groups can then leverage the strength of the entire agricultural value chain to affect a more enabling business environment from government, draw in women and youth-oriented businesses, and generate sustainable growth that leads to increased self-reliance. The GoA can also draw on the knowledge of private sector actors to formulate business friendly policies that transparently benefit the entire value chain.

Natural resource management (NRM) is a core component of agricultural productivity, particularly water resources in Afghanistan. Improvements in NRM could be a key strategy for Afghanistan to advance along the roadmap to self-reliance. The country has long faced significant water shortages, making irrigated agriculture fundamental to achieving socio-economic development, food security, and poverty reduction. Decades of conflict resulted in the reduction of the total area of irrigated land by about a third, transforming Afghanistan from a once self-sufficient producer into a country that must import much of its food. Today, 95 percent of the limited water supply is used for agriculture, making its effective and sustainable management critical. USAID efforts in this area will continue to focus on climate-smart agriculture (CSA) interventions including expanding access to irrigation through rehabilitation and upgrading irrigation networks, as well as increasing efficiency of agricultural water use, restoration of

watersheds, strengthening environmental awareness and education, and increasing local and national institutional capacity for irrigation and water resource management, including collaboration with neighboring countries on transboundary water issues. These interventions will also improve resilience to climate change, which is expected to constrain agricultural production in coming years. Greenhouse gas emissions will be reduced through promotion of solar energy, improved waste management, completion of the North East and Southern Electric Power Systems (NEPS-SEPS) power transmission network, road maintenance improvement and watershed management, as well as improved feed and fodder for livestock.

Sub-IR 1.2.4 Transportation and energy services improved

In 2002, less than six percent of Afghans had access to electricity. Today, over 30 percent have access to grid power and many more have access to power provided by government or personally owned diesel generators, solar panel systems, and other energy sources. Access to reliable and affordable power drives economic growth, increases competitiveness of value chains, and results in better delivery of education and health services. In recognition of this fact, donors have funded nearly all of the power generation and transmission infrastructure to-date in Afghanistan. USAID is pivoting away from funding these programs to instead incentivize private sector investment in energy infrastructure, operations, and management. USAID considers this a more sustainable model that will help increase Afghanistan's self-reliance.

Transport systems are also critical to economic growth, yet the GoA has not demonstrated an ability to maintain roads infrastructure and is not utilizing its rail links with northern neighbors. Without improved and better-managed roads, airports, and rail to get products to markets, business activity in Afghanistan will continue to remain stagnant. Under the strategy, USAID will pursue road sector reforms, and the development of transport infrastructure to increase the competitiveness of value chains.

USAID will complete construction of the transmission lines and substations started under the Power Transmission Expansion and Connectivity (PTEC) project. USAID has assessed that these projects are critical for providing the quantity and quality of power needed to drive economic growth in southern Afghanistan. Once these power projects are completed, USAID will seek competitive, private sector investment in Afghanistan's energy sector. USAID successfully sponsored the first competitive auction for a ten megawatt (MW) solar generation plant in Kandahar as a test case for this new model. An additional five to ten energy projects, including hydropower, are being planned that will be competitively bid through a series of auctions to private investors. The projects will provide indigenously-generated power, improved distribution systems, and greater access to reliable power at an affordable cost to accelerate sustainable economic growth and further the country's self-reliance. Improved transmission of electricity and solar power generation will also strengthen Afghanistan's climate resilience and reduce emissions of greenhouse gases.

Likewise, assessments are being conducted to help determine what is needed from both the GoA and private sector to make Mazar-e-Sharif, currently a vital trade center, into a multi-nodal import-export hub. As with energy projects, the infrastructure investments identified by the assessments will be competed to private companies to build and/or own and operate in order to improve the import and export capabilities of Afghanistan, generating revenue and jobs.

In parallel, USAID will continue to build the corporate governance capabilities of the national electric utility, Da Afghanistan Breshna Sherkat, to reduce its losses and provide technical assistance to help it become a revenue generating, self-sustaining organization. USAID will assist the Ministry of Energy and Water and other GoA partners to better manage and regulate the energy and transport sectors efficiently, economically, and reliably. This will be accomplished through incentives given to Afghan entities only after they have demonstrated measurable progress in protecting the gains they have already achieved, improving operations, reducing corruption, and creating a predictable business-friendly environment. This is critical to attract private sector investment and improve Afghanistan's self-reliance.

IR 1.3: Employment Opportunities Increased

According to the Afghanistan Living Conditions Survey (ALCS 2016/2017), 23.6 percent of Afghans are unemployed, a one percent increase from the World Bank's 2013/2014 measure.⁶⁹ The unemployment rates for females and youth are particularly high, with the unemployment rate for females being two and half times higher than that of males,⁷⁰ and youth unemployment (aged 15-24) as high as 31 percent.⁷¹ Afghanistan's high population growth — one of the highest in the world — will further strain the labor market. Underemployment is also an issue, with almost 25 percent of employed Afghans working less than 40 hours per week, though they would be willing to work more.^{72, 73}

Afghanistan's employment situation is not sustainable, nor does it provide the type of environment needed to foster future growth. Further increases in unemployment could lead to a more insecure and unstable country. Achieving self-reliance requires addressing employment challenges directly with programming to create opportunity through increased industry and better, market-oriented education. Creating a highly-qualified, in-demand workforce is essential to job creation and the growth of key economic sectors throughout Afghanistan.

Afghanistan's high unemployment and underemployment affects the country's productivity, poverty level, and growth of the private sector. It also hinders efforts to achieve gender equality, is a potential driver of extremism, and can lead to other negative socioeconomic impacts. Increasing employment opportunities will help address these issues and accelerate private sector-driven and export-led economic growth. Improving labor productivity (through, for example, skills development) is a driver of economic growth. Studies also show that economic growth is positively associated with job creation.⁷⁴

USAID plans to increase employment opportunities for Afghans in both the public and private sectors by increasing their employability — especially the employability of women and youth — and by improving the quality and relevance of workforce development. Increasing employment opportunities may also include self-employment or entrepreneurships, apprenticeships, or internships. USAID will increase access to and quality of vocational training to ensure that male and female Afghan workers possess the skills and training needed to be competitive in the labor market.

Sub-IR 1.3.1 Employability of Afghans increased, especially women and youth

Needing experience to find employment and needing employment to gain experience is a classic conundrum for job-seeking youth around the world. In Afghanistan, corrupt patronage networks and severely limited opportunities compound the problem and the frustration felt by youth trying to break into the marketplace. Women face these difficulties in addition to cultural restraints and family pressure to not seek employment outside the home. Mitigating these challenges to increase the employment and skills of these particularly vulnerable groups, and of all Afghans, involves making them more employable.

⁶⁹ The World Bank. "Afghanistan Development Update", May, 2017. Pg 4. Available at: <http://documents.worldbank.org/curated/en/471191495626000119/pdf/115229-REVISED-PUBLIC-AFG-Development-Update-Spring-2017-final.pdf>. Accessed: March, 2018.

⁷⁰ Ibid.

⁷¹ Central Statistics Organization, Government of the Islamic Republic of Afghanistan. "Afghanistan Living Conditions Survey, 2016-2017." Available at: <https://cso.gov.af/en/page/1500/1494/nrav-report>. Accessed June, 2018.

⁷² The World Bank, "Managed Labor Migration in Afghanistan: Exploring Employment and Growth Opportunities for Afghanistan". January 2018. Available at: <http://documents.worldbank.org/curated/en/746891516915310370/pdf/122987-WP-P158055-PUBLIC-SummaryReportFINALOnline.pdf>. Accessed: March, 2018.

⁷³ 40 hours is the Afghan and Western standard work week. Article 30.2 of the Afghan Labor Law provides for the normal working hours, which shall not exceed 40 hours per week. Available at: <http://www.parliament.am/library/ashxatanqayinorensreger/axvanstan.pdf>

⁷⁴ The Donor Committee for Enterprise Development. Link between economic growth and employment. Available at: <https://www.enterprise-development.org/what-works-and-why/evidence-framework/link-between-employment-and-economic-growth/>. Accessed: March, 2018.

USAID plans to accomplish this by working with universities and other educational institutions to establish career centers and job matching mechanisms based on partnerships with the private sector, designed to place graduates with Afghan companies. Activities increasing the employability of Afghan women and youth also include “soft skill” training while still in school, placement in internships, and periodic assessments of market labor demand so that students can seek marketable skills and readily find employment upon graduation. USAID will work to make the Afghan workforce more competitive through on-the-job training designed to help workers gain better employment, particularly within export-oriented companies located in population centers. Activities under this sub-IR require collaboration between educational institutions and the private sector so that as trained workers move to higher positions, newly trained university or other training graduates, particularly youth and women, fill the vacancies. Economic expansion creating new jobs would find a ready supply of market appropriate labor to carry the economy forward.

Another consideration is that the struggle to find a job and the low social status associated with unemployment can lead to economic marginalization and susceptibility to violent extremism, particularly among young women and men. Increasing employment and skills through better employability can reduce this vulnerability by providing the respect that comes from earning income for self, family, and community. An ultimately self-reliant Afghanistan begins with self-reliant individuals.

Sub-IR 1.3.2 Quality and relevance of workforce development improved

USAID seeks to increase job placement and wages in major economic areas by providing demand-driven, quality technical and business education, training, and support services across sectors with a particular focus on supporting youth and women in gaining the training needed to acquire market-relevant skills. USAID’s workforce development strategy will periodically assess the Afghan labor market and identify skills that fill clearly defined private sector needs, tailoring the training to skills employers need to better manage and grow their companies. USAID will complement the GoA’s development goals by supporting key growth opportunities in construction, information and communications technology, public-private partnerships, and business management. This strategy is key to providing an improved business climate, increasing profitability, and ultimately strengthening the sustainability of Afghanistan’s economy.

DO2: Social Gains Advanced

Gains in health and education are profoundly important for Afghanistan’s self-reliance. Making progress in the social sector, however, continues to pose significant challenges due to adverse social conditions and economic barriers. The challenge is particularly great in maternal health, where the one in 14 maternal mortality rate is one of the highest in the world, and where the 2015 Afghanistan Demographic and Health Survey (AfDHS) indicates that this rate may actually be rising. Other figures support the poor prospects for mothers and young children: neonatal mortality is 22 deaths per 1,000 live births, and infant and under-five mortality is 45 and 55 deaths per 1,000 live births, respectively.

In education, primary and secondary school enrollment has stabilized at 9.2 million, leaving an estimated 3.7 million children out of school. Limited government capacity, dwindling donor resources, and lack of physical space, all impact the out-of-school numbers, but low quality and limited management capacity seem to be primary drivers. Gender disparities persist as well, with girls at only 39 percent of enrolled students, a rate lower in rural areas, though exact figures are difficult to verify. Increasing girls’ enrollment is a top priority. USAID will build on previous gains by expanding and strengthening community-based education (CBE) and accelerated learning programs (ALP) in rural and urban areas. These grassroots interventions are intended to sustain enrollment numbers, engage out of school children, and make progress toward a more gender equitable student population. Despite almost overwhelming educational challenges nationwide, demand for higher education in Afghanistan remains strong, as

evidenced by the rapid expansion of private higher education institutions. However, these nascent private institutions have limited capacity to provide quality degree programs and lack the regulatory guidance to improve.

Conditions remain challenging, even hostile, for women and vulnerable populations. Women find it difficult to overcome cultural barriers to economic and educational participation and often lack the advocacy and network support needed to access these opportunities. Women also face the threat of trafficking and violence, and children are still exploited either as child brides or, for boys, as entertainment and sexual slaves. The lesbian, gay, bisexual, transgender and intersex (LGBTI) population is persecuted and marginalized to the point of almost complete isolation and secrecy.

Although Afghanistan has advanced considerably in access to basic health and education services, particularly for women, most gains are fragile and need continued support to be sustainable. The GoA has demonstrated a commitment to advancing inclusive health care access and student enrollment and continues to develop capacity for providing these services in cooperation with international donors. USAID is continuing its on-budget support for the health and education sectors through the ARTF. In addition, the Promote program is the largest investment ever made by USAID aimed specifically at advancing women's interests, which makes USAID a major actor in this space.

The development hypothesis for DO2 states that if USAID focuses on improving health outcomes, better educating Afghans, and increasing gender equality and female empowerment, then social gains will be advanced. This DO addresses health and education challenges by targeting quality of and access to these services. Citizen capacity, as measured on Afghanistan's Self-Reliance Roadmap, will not rise without improvements in quality of services and advances in equitable provision among women, youth, and vulnerable populations. Advancing social gains in health, education, and women's empowerment will enable the country to become more inclusive and will increase the ability of Afghans to contribute to their country's economic growth. In turn, this will help the country become more stable, as Afghans gain confidence in their government's ability to achieve reforms and deliver services, thus increasing support for the Afghan government. A healthier, better educated, and more inclusive Afghan population is crucial for Afghanistan's eventual self-reliance.

Success in advancing social gains will require collaborative application of USAID's resources. While primary healthcare remains a GoA responsibility, health programming will leverage USAID's economic growth activities to support private healthcare initiatives and capture some of the spending on healthcare outside of Afghanistan. Private schools hold similar potential for cooperation with our economic growth approaches, where educational technical expertise helps create curricula that prepare young men and women to enter the Afghan workforce with marketable skills and become engaged contributors to society. USAID could foster partnerships between private sector companies and educational institutions to strengthen the market relevance of students' training. Should peace and reconciliation momentum continue, governance programming could inform educational instruction to support peaceful integration and national unity. Furthermore, USAID will seek opportunities for regional collaboration and integration, especially with India under our U.S.-Afghanistan-India trilateral partnerships.

Comparable partnerships within the health sector are also possible and could include cost sharing arrangements between GoA and companies and other public-private partnerships, mobilizing a vital domestic resource and reducing government expenditures. USAID will look to foster more private sector engagement in the water and sanitation sector, especially in urban areas. Cooperation potential between gender activities and the health and education sectors extend to every level of USAID's interventions. For example, healthcare workers and teachers can receive gender-based violence and anti-trafficking instruction as part of their on-the-job training supported through health and education activities.

Advancing social gains requires a wide effort by other donors and the GoA, as well. USAID programming directly supports the GoA's health, education, and gender goals by aligning with the National Health Strategy, the National Educational Strategic Plan, Afghanistan National Rural Water, Sanitation and Hygiene (WASH) Policy 2011-2020, and the "Women and Socio-economic Development" section of the ANPDF. USAID works with the World Bank and other donors who contribute to ARTF's nationwide health and education programs, and coordinates with UN Women and the United Nations Development Programme (UNDP) on women's empowerment and protection of vulnerable populations.

USAID acknowledges the unique risks associated with social sector development. Culturally, Afghanistan is highly conservative, and access to health and education services as well as progress in gender related programs may be jeopardized by an increase in conservative or extremist ideology in particular areas. Corruption poses a serious risk to USAID programming due to the decentralized nature of our interventions. While such risks are outside of USAID's control, the agency will utilize every mitigation strategy available to reduce opportunities for corruption. One assumption is that by working in population centers, USAID can better utilize technology and third party monitoring to reduce corruption and have access to a demographic that tends to be less conservative.

IR 2.1: Health Outcomes Improved

Afghanistan's performance on basic health indicators has improved dramatically over the past decade, as Non-Government Organizations (NGOs), in partnership with USAID and the GoA, have expanded basic health care access to a greater percentage of the population.⁷⁵ However, challenges remain in this sector, and Afghanistan's low score on child health, a key self-reliance measure, shows the need for interventions to improve overall sanitation, water quality, and child mortality. The quality of healthcare has not improved at the same rate as basic access. This means that health outcomes vary across the country, as surveys like the USAID-funded nationwide Demographic Health Survey 2015 show.⁷⁶ Also, 60 percent of children remain unvaccinated against preventable diseases, and Afghans spend approximately \$285 million on healthcare outside of Afghanistan, a solid indication that they perceive the quality of healthcare to be poor.⁷⁷ While access to basic drinking water has increased by 36 percent since 2015,⁷⁸ gains in sanitation continue to lag, and rapid urban growth places increased strains on service provision and water availability.

USAID will continue to support the provision of basic health care and essential hospital services across approximately 2,400 health facilities nationwide while strengthening the public health system. In addition to building the capacity of the Ministry of Public Health (MoPH), interventions are expected to reduce child and maternal mortality, prevent tuberculosis-related deaths, tackle childhood malnutrition, improve the use of modern family planning (FP) methods, and eradicate polio. USAID will continue support to the MRRD on rural water supply and sanitation, including ending open defecation, and re-engage with the national water utility to improve service delivery in urban areas and explore expanding private sector engagement in the sector.

USAID support will improve the quality of facility-based Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS), in addition to providing off-budget support to the MoPH and private sector service. Additionally, USAID will support community engagement to ensure utilization

⁷⁵ Central Statistics Organization (CSO), Ministry of Public Health (MoPH), and ICF "The 2015 Afghanistan Demographic and Health Survey". 2017, Available at: <https://dhsprogram.com/pubs/pdf/FR323/FR323.pdf>. Accessed: March, 2018.

⁷⁶ Ibid.

⁷⁷ Ministry of Public Health, Afghan Public Health Institute, Research Department, "Patients Acquiring Medical Treatment from India," Undated. Available at: http://moph.gov.af/Content/Media/Documents/Exitinterviewreport_Ata_19.02.2011281201412279396553325325.pdf. Accessed: March, 2018.

⁷⁸ World Health Organization/United Nations International Children's Emergency Fund Joint Monitoring Programme for Water Supply, Sanitation and Hygiene, data available via data query from: <https://washdata.org/data#/afg>. Data query last received: May, 2018.

of services. USAID will increase engagement with the private sector to improve provider capacity and expand on successful public private partnerships to help increase domestic spending on health care, and to advance the quality of hospital care available in urban areas. Other areas of focus include strengthening health care financing, improving MoPH governance and leadership capacity, strengthening the health information system, and improving the availability of quality health commodities in public and private sector systems.

Sub-IR 2.1.1 Availability of public health services sustained

Since 2002 USAID has invested more than \$1.5 billion in the health sector and backed efforts to expand access to health services nationwide. The increase in health facilities from less than 500 to more than 2,400 under MoPH leadership has expanded access to lifesaving health services for millions and improved health outcomes with a specific focus on maternal and child health. Sustaining and expanding on these gains is essential, and USAID is the lead donor in improving the health status of the Afghan population.

Funds for service delivery are provided under the ARTF SEHAT/Sehatmandi activities in partnership with development partners in the health sector. USAID will support access to, availability, and use of quality BPHS/EPHS services nationwide in maternal and newborn health, nutrition, family planning/reproductive health (FP/RH), infant and child health, immunizations, and infectious diseases. To maintain the gains secured, USAID will continue to support Sehatmandi nationwide and provide targeted technical assistance (TA) in support of the Sehatmandi program.

In addition, USAID will support the provision of Urban Health Outreach Professionals and Urban Community Health Workers to proactively ensure access to services for the most vulnerable communities in urban areas. Based partly on lessons learned from collaboration with India's Ministry of Health and Family Welfare, USAID will foster partnerships with private sector health providers to establish affordable private health care options in Afghanistan. Availability of advanced care in private hospitals in Afghanistan could improve overall health care quality and access in the country, enhance job creation and public revenue, and contribute to capturing some health care expenditures made in neighboring countries.

Sub-IR 2.1.2 Governance of health system strengthened

It is crucial for USAID to support enhancing the governance of the health sector and ensuring its eventual self-reliance. The National Health Accounts (NHA) 2014 identified total health expenditure (THE) of approximately \$1.99 billion, of which, 95 percent is funded by donors, with the GoA contributing only \$97 million.⁷⁹ Given the current dependence on donor funds for delivery of essential health services, a decrease in donor support could have a serious impact on the health status and outcomes of the Afghan population. To fund health services and decrease donor dependency, the GoA must mobilize local resources.

Afghanistan took its first step towards health care self-reliance in 2018 through piloting the User Fees Regulation in Kabul, a law allowing fee-for-services to be charged to those with the ability to pay for some portion of their health care. These funds go to public health budgets for the following year. USAID will build on this initiative and increase the self-reliance of the GoA by supporting implementation of User Fees Regulation, appropriate health insurance scheme, health financing, and seeking public-private partnerships with external providers. USAID envisions private sector partners being provided space to offer paid-for tertiary services, while training Afghan clinicians to offer these services in future. This should also boost the number of people accessing outpatient services, rather than leaving the country for

⁷⁹ Ministry of Public Health, Afghanistan National Health Accounts with Disease Accounts, 2014, Available at: http://moph.gov.af/Content/Media/Documents/AfghanistanNationalHealthAccountsandDiseaseAccounts,2014_English,164201710356710553325325.pdf, Accessed in: June 2018

their care, and in the medium to long term, increase the range of high-quality health services available in Afghanistan.

USAID aims to strengthen governance of the health system by working with MoPH to roll out the DHIS2, the next version of the health informatics system, and future Afghanistan national health surveys, which should enable improved monitoring of health services to ensure more effective management of health systems. USAID will work with the MoPH to simplify and re-design the BPHS for an urban setting, which will enable an effective continuum of care from community levels to tertiary services. In addition, USAID will work with the World Bank-funded Citizen's Charter initiative to improve health service accountability at local levels. USAID will provide technical assistance and capacity development for pharmaceutical sector reforms and strengthen the MoPH drug-supply and management system.

To achieve better health system performance and better health outcomes, USAID will provide technical assistance to the MoPH and its relevant departments to properly manage and regulate the implementation of BPHS/EPHS under the World Bank managed Sehatmandi project. USAID will support the MoPH's Disease Early Warning System, a nationwide sentinel site-based surveillance system operating in public health facilities that collects information on 16 targeted communicable diseases, including polio. USAID will support the second AfDHS, which provides reliable data on health, nutrition, WASH, and education.

Sub-IR 2.1.3 Quality of health services improved

As Afghanistan continues to score poorly on maternal health indicators, USAID is placing a renewed focus on quality of services to improve maternal and newborn survival. According to the AfDHS, 59 percent of women received antenatal care from a skilled provider. Skilled birth attendance was reported at 51 percent, with 48 percent of women with live births delivering in health facilities. Significant cultural, religious and gender barriers impede women's ability to autonomously seek antenatal and/or delivery care. This situation is exacerbated by shortages of female health providers in communities. Insecurity and remote locations further reduce women's access to care. Low routine immunization rates persist, but progress has been made: 58 percent of children aged 12-23 months received the third of the required doses of the pentavalent vaccine, while 13 percent of children did not receive any doses. The most recent National Nutrition Survey (2013) found 40 percent of children under five are stunted and 25 percent are underweight, indicating long-term/chronic undernutrition.

USAID will focus on improving the quality of facility-based BPHS/EPHS services through on-budget assistance under the World Bank Sehatmandi project. USAID will provide off-budget support to the MoPH and private sector service providers, and undertake community engagement activities. USAID will provide TA focused on childhood immunizations, maternal and infant health, tuberculosis (TB), nutrition, and family planning access within the public and private sector in urban areas. This will improve the quality of services and accelerate improvement in key health indicators. By focusing our work, USAID's health efforts will gain efficiencies and reach receptive populations already demanding and using health services.

USAID will support pre- and in-service training for physicians, nurses, and midwives to ensure quality of care, and emphasize the importance of training midwives and female community health workers (CHWs). USAID will increase demand for quality services and promote healthy behaviors through behavior change communications and messaging on issues including breastfeeding, birth spacing, and facility-based delivery. In addition, USAID will promote rapid adoption of key nutrition and sanitation behaviors at community and household levels and increase access to nutrition, sanitation, and hygiene products and services. USAID is committed to bringing quality nutrition interventions directly to women, and has integrated FP/RH, MNCH, and nutrition interventions into programming. USAID is planning multi-sectoral nutrition activities to address the enabling environment, food fortification and safety, quality of

nutrition services provided in the existing GoA platforms, and demand for nutrition services through promoting optimal nutrition and feeding practices.

USAID will support the focus on High Impact Interventions (HII), ensuring method of choice for healthy timing and spacing for all women in the postpartum period. This is a key intervention in improving child survival. USAID will continue to support the health system to enable it to identify and notify presumptive TB cases and diagnose and treat cases with a specific focus on of Multidrug-Resistant (MDR) TB. USAID will continue to support the nationwide Polio Eradication Initiative through Acute Flaccid Paralysis surveillance activities. USAID will provide TA for development of a pooled pharmaceutical procurement mechanism, with emphasis on drug quality. USAID will promote capacity building for the Afghanistan Social Marketing Organization.

Sub-IR 2.1.4 Water and sanitation services improved

Only 21 percent of urban residents in Afghanistan have a piped water connection to their homes, and only 52 percent of households in urban areas have access to at least limited sanitation services.⁸⁰ Access to water and sanitation services in rural areas is even lower, with 40 percent of rural residents relying on an unimproved water source and only 16 percent of households using a basic toilet facility.⁸¹ The challenge of meeting the water and sanitation needs of Afghanistan's population is becoming more complex due to the country's high population growth rate, particularly in urban areas. The consequences of not meeting these needs are great; twelve percent of deaths of children under the age of five in Afghanistan are still caused by diarrhea,⁸² and the prevalence and impacts of malnutrition are exacerbated by lack of clean drinking water and proper sanitation. Water and sanitation service delivery, along with the improved hygiene behaviors enabled by these services, are critical to improving health outcomes. More efficient water service delivery and water resource management will also help address the country's water availability issues.

USAID's water and sanitation activities align with the U.S. Global Water Strategy⁸³, under which Afghanistan is a high priority country. USAID will support the Afghanistan Urban Water Supply and Sewerage Corporation, the national water utility, to expand water and sanitation services in urban areas and increase cost recovery. This is complemented by work to expand household connections in Kabul. USAID will support engagement with the private sector on water and sanitation service provision and innovative Water Sanitation and Hygiene (WASH) technology utilization. In rural areas, USAID will continue to support MRRD's work to expand community led-total sanitation with the goal of ending open defecation, and install rural water supply systems. USAID will fund emergency WASH grants that benefit vulnerable communities and returnees, in coordination with other relevant organizations, including the UN High Commissioner for Refugees. This service provision work is complemented by broad support to the GoA on water resource management, improving the quality and use of water data, and supporting cooperation on transboundary waters.

IR 2.2: Better Educated Afghans

While the data needed to measure Educational Quality in Afghanistan's Self-Reliance Roadmap are largely unavailable, it is clear the GoA has made significant achievements with the support of the international community in rebuilding Afghanistan's education system since 2001. For example, school enrollment rose from 900,000 in 2001 to 9 million in 2015, according to the MoE. Few girls were in the

⁸⁰ Central Statistics Organization (CSO), Ministry of Public Health (MoPH), and ICF. 2017 "The 2015 Afghanistan Demographic and Health Survey." Pg. 9. Available at: <https://dhsprogram.com/pubs/pdf/FR323/FR323.pdf>. Accessed: March, 2018.

⁸¹ Ibid.

⁸² UNICEF, "Press Release: 9,500 children dying from diarrhea each year in Afghanistan." November 02, 2017. Available at: https://www.unicef.org/media/media_101445.html

⁸³ https://www.usaid.gov/sites/default/files/documents/1865/Global_Water_Strategy_2017_final_508v2.pdf

formal education system in 2001; by 2015, 39 percent of students were girls. Despite these gains, as many as 3.7 million children are still unable to attend school.⁸⁴ The MoE reports that only 55 percent of children aged 7-12 attend primary school, and 32 percent of children (girls 21 percent, boys 43 percent) attend secondary school.⁸⁵ Inequity in access is high, as are dropout and repetition rates, which are indications that the quality of education is poor.⁸⁶ USAID focused on educational availability in its previous strategy, deferring work on quality as a primary goal until access challenges were addressed. Under this strategy, USAID will continue to work on education availability while addressing curricula, textbooks, teacher training, and testing — the elements critical for the educational quality needed for self-reliance.

USAID will help increase access to basic education for children, including those with disabilities or from disadvantaged groups, and will help improve the quality of education by improving teaching quality and providing schools with quality textbooks and other educational materials. USAID will improve management capacity in basic education, which will result in more fair and transparent teacher recruitment, a more efficient payroll system, and improved resource planning. USAID will work to build violent extremism prevention and peace and reconciliation material into curricula to promote stability and foster national unity. USAID basic education programs will also focus on improving early grade reading and math skills of Afghans, which are the foundation for learning in higher grades.

Since 2001, university enrollment has expanded dramatically despite persistent gender inequality, lack of capacity, and outmoded pedagogy. According to Afghan Central Statistics, public university enrollment rose from 7,800 in 2002 to 174,425 in 2015, with current enrollment over 350,000 at public and private universities. International trends are increasingly moving toward active student centered learning (SCL) and outcome-based education (OBE), but the current teaching at Afghan universities is largely teacher-centered pedagogy and passive student learning. The main priorities of the MoHE will therefore focus on national curriculum reform; quality assurance; development of management information systems; improvement of student affairs systems, and standardization of research.

To support these priorities, USAID will help increase access to and management capacity of higher education institutions. Working with the MoHE, public, and private universities, USAID will seek to improve the quality of higher education through accreditation, quality assurance, curriculum reform, and faculty and school administrator trainings. These approaches will help ensure that graduates are acquiring relevant 21st century skills to improve their employability.

Overall, USAID's approach is in line with Afghanistan's Third National Education Strategic Plan (NESP III) for basic education, and the draft National Higher Education Strategic Plan,⁸⁷ and will contribute to achieving the development goal of advancing social gains.

Sub-IR 2.2.1 Access to Education Increased

While Afghanistan has made remarkable progress in increasing access to basic education in the last 16 years, 3.7 million children between the ages of seven and 17 are not receiving schooling, according to a recent study by the United Nations International Children's Emergency Fund (UNICEF).⁸⁸ This marks

⁸⁴ Qazi, Shereena. Al Jazeera News Afghanistan, "1,100 Afghan Children a Day to 'Drop out of School'." March 23, 2017. Available at: <https://www.aljazeera.com/news/2017/03/1100-afghan-children-day-drop-school-170323060014972.html>. Accessed: April, 2018.

⁸⁵ Afghanistan Ministry of Education. "National Education Strategic Plan 2017-2021". Page 1. Available at: <http://anfafe.af/wp-content/uploads/2016/11/National-Education-Strategic-Plan-NESP-III.pdf>. Accessed: March, 2018.

⁸⁶ Ibid., Pg. 20

⁸⁷ Afghanistan Ministry of Higher Education, "Draft Higher Education Strategic Plan: 2016-2020".

⁸⁸ Global Initiative on Out-of-School Children, "Afghanistan Country Study" Available at: <https://reliefweb.int/sites/reliefweb.int/files/resources/afg-report-oocs2018.pdf>. Accessed: June, 2018.

the first increase in the number of out-of-school children since 2002, and is attributed to factors such as ongoing conflict, extreme poverty and cultural discrimination against women. The study shows that roughly 47 percent of rural and more than 19 percent of urban lower secondary school age children (age 13 - 15) are out of school. Since most schools are concentrated in urban areas, children in rural areas, particularly girls, comprise the largest share of out-of-school children.

In order to reach out-of-school children, USAID will continue to support the expansion and strengthening of community-based education programs, which bring schools closer to learners, and accelerated learning programs in both rural and urban areas. CBE is a proven means to reach children, especially girls, who are unable to attend formal schools due to insecurity, distance, or other constraints. Accelerated learning is specifically designed for young women whose educational opportunities earlier in life were interrupted due to a variety of factors. USAID will also increase access to education for out-of-school children, improve the quality of education, and support the affordable private schools initiative to expand access to education in urban and rural areas.

Despite significant gains, access to tertiary education is still lacking in Afghanistan. Large segments of the youth population are excluded from formal tertiary education due to public entrance examinations and private university admission fees, as well as limited accessibility to universities in some provinces. Much more progress is needed to provide opportunities for youth, particularly women, to gain the qualifications, practical knowledge, and relevant employment skills to develop the professional expertise demanded by the modern labor market. Sufficient and sustainable access to the educational services that will create a well-educated population is critical for Afghanistan's ultimate self-reliance.

Sub-IR 2.2.2 Quality and Relevance of Education Improved

A recent USAID early grade reading survey found that more than one-third of Afghan students completing grade two were not able to read a single word in Dari or Pashto and that about half scored zero in reading comprehension.⁸⁹ The 2013 learning assessment of Mathematical, Reading and Writing Literacy in grade 6 conducted by the Australian Council for Educational Research (ACER) in Afghanistan shows similar results. ACER found that greater proportions of grade 4 students in neighboring countries were performing at or above the proficiency levels demonstrated by Afghanistan's grade 6 students.⁹⁰ Causes of poor academic performance include poorly trained teachers and lack of textbooks and teaching/learning materials. Additionally, most public schools schedule students in two or three shifts due to lack of space to accommodate all enrolled students, minimizing the time children spend in school. Poor achievement in early grades hinders children from developing a foundation for future learning.

USAID plans to improve the quality of basic education by focusing on (1) reading and writing in early grades; (2) proficiency in early grade mathematics; (3) provision of textbooks and learning materials; (4) teacher training; and, (5) learning assessments. Achieving self-reliance in the long-term will require a well-educated population served by a government that can ensure high quality educational services. Activities under this strategy address poor educational quality and build capacity for self-reliance in the education sector.

While gains have been made in some areas of higher education programming, improving the quality and relevance of higher education still requires continued efforts working directly with Afghanistan's higher education institutions, as well as with the private sector, donors and other international partners. These efforts will leverage their knowledge, skills and assets to improve the systems that support improved

⁸⁹ USAID, *Early Grade Reading Assessment in Public Schools of Afghanistan: 2016 EGR General Education Results in Afghanistan, Resources, Skills and Capacities in Early Grade Reading in Afghanistan.* Pg. 34, 64. Available at: https://eccnetwork.net/wp-content/uploads/Final-TECH-REPORT_EGR-EGRA-in-Public-Schools-of-Afghanistan_-14-May-2017....pdf. Accessed, June, 2018.

⁹⁰ Australian Council for Educational Research, "*Class 6 Proficiency in Afghanistan 2013: Outcomes of a Learning Assessment of Mathematical, Reading and Writing Literacy.*"Pg. 7. Available at: <https://research.acer.edu.au/cgi/viewcontent.cgi?article=1000&context=mtcg>

delivery of higher education services, including curriculum, quality assurance and accreditation. Developing or bolstering standards for quality assurance and accreditation, faculty recruitment and development, student-centered and outcome-based learning, and other approaches are necessary to ensure sustainable improvements.

Work under this sub-IR will include establishment or maintenance of professional centers of innovation, promotion of distance learning and blended education models, and enhancing existing academic programs and curriculum. Curricula additions may include youth-oriented material on preventing violent extremism or promoting peace and reconciliation.

Sub-IR 2.2.3 Management capacity of the educational system enhanced

To better educate Afghans requires strengthening the management capacity of the entire educational system. The MoE lacks the capacity and systems to effectively deliver education and improve the quality of education.⁹¹ The MoE's vulnerability to corruption is also a serious issue. A recent VCA of the MoE indicates that, due to the size and complexity of the ministry, there are several areas that are vulnerable to corruption, including teacher recruitment, the Education Management Information System (EMIS) and payroll system.⁹² MoE's lack of capacity, weak operating systems and its vulnerability to corruption are impeding efforts to improve access and quality of education.

USAID will continue to build capacity, improve operating systems, and create efficiency at all levels of the basic education system, ranging from district education departments to the MoE. To achieve this, USAID plans to support the MoE in improving the efficiency, transparency, and accountability of the national and subnational MoE systems by focusing on education data, teacher recruitment, payroll systems, and assisting with finance and resource planning.

This sub-IR also addresses MoHE priorities, including development of key management information systems, implementation of national policies including gender support, and provision of technical assistance for university financial autonomy and other benchmarks. Requisite improvements include implementing proper policies, guidelines and systems; and training faculty, staff and administrators to ensure they are able to effectively deliver higher education services. USAID will also contribute to the development of university-level centers for student and professional development, including support for university administrators and faculty to engage in institutional reform of their campuses.

IR 2.3: Gender Equality and Female Empowerment Increased

Women in Afghanistan have one of the lowest quality of life ratings in the world. Women, girls, and other marginalized populations face serious human rights abuse and violations. Various socio-cultural barriers significantly limit opportunities for women's and girl's participation, depriving Afghanistan of half the population's economic and leadership potential. Afghanistan's pathway to prosperity and self-reliance will require the inputs of all productive members of its society, regardless of gender. Empowering women under this strategy accelerates progress toward self-reliant governance and economic growth.

Since the fall of the Taliban, the GoA has made important legislative changes to open opportunities for women. Parliamentary quotas and the 2008 Elimination of Violence against Women (EVAW) law are prime examples of this high-level progress.⁹³ Practically, however, Afghanistan remains one of the most

⁹¹ Afghanistan Ministry of Education, "National Education Strategic Plan 2017 - 2021," Pg. 6. Available at: <https://www.humanitarianresponse.info/en/operations/afghanistan/document/national-education-strategic-plan-2017-2021>

⁹² Independent Joint Anti-Corruption Monitoring and Evaluation Committee, "Ministry Wide Vulnerability to Corruption Assessment of the Ministry of Education," Available at: http://www.mec.af/files/2017_23_10_moe_english.pdf. Accessed: June, 2018.

⁹³ Checchi and Company Consulting, Inc./USAID, September, 2016. "Afghanistan Gender Country Profile." Pg.23. Available at: https://drive.google.com/file/d/0B4_gbyYcqGfM1hRX2xEemFHbDg/view?usp=sharing. Accessed March, 2018

difficult countries to be a woman.⁹⁴ For example, only five percent of women independently make their own health care decisions, and a majority of men (72 percent) and women (80 percent) believe violence against women is justified in certain circumstances.⁹⁵ Preserving and advancing social gains related to gender equality and female empowerment will allow women to become business owners and entrepreneurs, increase women's employability, including in male-dominated sectors, and contribute to Afghanistan's economic growth. It will also enable women to become government leaders and influential figures in civil society, which will contribute to the GoA's legitimacy and self-reliance. This is a long-term effort, supported in particular by work on the enabling environment in sub-IR 2.3.2.

USAID's efforts will include supporting scholarships and internships in the GoA and the private sector for women; supporting the engagement of women and other marginalized populations in advocacy interventions to promote gender equality and female empowerment; and supporting the integration of gender-sensitive approaches to health service delivery. USAID will also support Afghan women's livelihoods through increasing access to loans for women-owned businesses, increasing the capacity of women for agribusiness management and high-value crop production, improving the skills of female extension agents to reach rural women, supporting women's participation in agriculture value chains, and providing training and mentoring to female journalists to increase their employability in the media sector.

Under this strategy, USAID will also address social norms and practices that create a restrictive environment for women and are a major constraint for maintaining social gains. USAID will address these norms and practices, including *baad* (which involves the trade of women to settle debts or tribal disputes) and child marriage, through sustained advocacy and the assistance of gender champions — men who have a progressive mindset about the role women play in education, economy, and government. USAID, in coordination with other donors and the DoS, will also work to mitigate and reduce gender-based violence (GBV) by supporting health sector workers to identify signs of abuse and report them to proper authorities. USAID will address trafficking in persons by working through law enforcement personnel to keep them aware of laws and signs of trafficked individuals.

Sub-IR 2.3.1 Women's participation in Afghanistan's Economy, Government, and Civil Society Increased

Gender-based obstacles to participation of women in government, education, civil society, and business in Afghanistan are among the country's most persistent impediments to social and economic progress. Women's opportunities in Afghanistan are so limited that the Economic Gender Gap information, important in measuring commitment to self-reliance on Afghanistan's roadmap, is unavailable. However, other gender analyses show that women face obstacles in private employment and civil service because of gender bias, limited contacts, and lack of job experience.⁹⁶ For example, a recent household survey (ALCS 2016-17) conducted by Afghanistan's Central Statistics Office measures the proportion of women in managerial positions at four percent, a very low presence of women in decision-making positions.⁹⁷

USAID will advance women's management and leadership skills in the public, private, and civil society sectors, ensuring greater access for women to employment opportunities including internships, technical training, job readiness support, leadership training, scholarships funded by a permanent endowment, and a more supportive and hospitable environment. These women will pave the way and expand the cadre of

⁹⁴ Human Rights Watch, "World Report 2017." Available at: <https://www.hrw.org/world-report/2017/country-chapters/afghanistan> Accessed: September, 2017. See also: Graham-Harrison, Emma. The Guardian, "Afghanistan still one of the worst places to be a woman, says EU ambassador," March 7, 2014. Available at: <https://www.theguardian.com/world/2014/mar/07/hamid-karzai-afghanistan-women-eu-mellbin>. Accessed: March, 2014.

⁹⁵ Central Statistics Organization (CSO), Ministry of Public Health (MoPH), and ICF. 2017 "The 2015 Afghanistan Demographic and Health Survey," pg 251, 255. Available at: <https://dhsprogram.com/pubs/pdf/FR323/FR323.pdf>. Accessed: March, 2018

⁹⁶ Checchi and Company Consulting, Inc./USAID, September 2016. "Afghanistan Gender Country Profile." Pg. 67. Available at: https://drive.google.com/file/d/0B4_ghbyYcqGfM1hRX2xEemFHbDg/view?usp=sharing. Accessed: March, 2018.

⁹⁷ Central Statistics Organization, 2018, "Highlight Report of Afghanistan Living Conditions Survey (ALCS) 2016-2017" pg.5" Available at: [http://cso.gov.af/Content/files/Surveys/ALCS/Final%20English%20ALCS%20Highlight\(1\).pdf](http://cso.gov.af/Content/files/Surveys/ALCS/Final%20English%20ALCS%20Highlight(1).pdf)

young women who can continue to influence their families, communities, and nation while adding impact to USAID's overall efforts to engage Afghanistan's youth. This critical mass of women leaders in civil society, government, and the economy will change the decision-making paradigm and, over time, shape the national agenda and remove barriers to women's participation. Women's participation in government, civil society, and the economy will result in more inclusive, effective, and sustainable progress that will increase economic development and positively influence the struggle for peace and prosperity.

Sub-IR 2.3.2 Enabling Environment for Gender Equality and Female Empowerment Improved

USAID will work towards mainstreaming gender in government policies and regulations, increasing public awareness and support for gender equality and female empowerment, and enhancing the capacity of civil society and women's rights groups that can contribute to policy discourse and advocate for women's rights at the policy making level. Engagement with men is incorporated into USAID activities, and male champions provide culturally sensitive communications that decrease the possibility of backlash and the negative association of women's equality with foreign interference.

Since violence and harmful social practices affect all genders and society as a whole, gender programming is being expanded to include boys, men, and other marginalized populations, such as gay men and women, transgender persons, and boys who are at risk of *bacha bazi*. Working closely with interagency partners to combine advocacy, legislation, and enforcement is essential to protect the safety of these marginalized groups. This expanded gender approach provides the research needed to hold the government accountable for protecting children, trafficked persons, and victims of GBV, which can affect all genders. This research also provides the foundation to design future activities as needed to protect the rights and improve the lives of vulnerable populations through rehabilitation and vocational support.

Evidence from other USAID programming shows that providing training and communication on greater social acceptance of women and the prevention of violence can be especially successful if implemented through promoting family values and leadership skills that are culturally appropriate and in the interest of beneficiaries. If violence can be eliminated from families, it can be eliminated from communities. This will ultimately result in better engagement with boys, young men, and communities in strengthening and supporting responses to help foster an enabling environment and shift attitudes towards the inclusive agenda.

Sub-IR 2.3.3 Gender-Based Violence Mitigated and Reduced

The AfDHS (2015) indicated that over half of women have experienced physical violence since age 15, with some provinces registering a 90 percent rate of abuse.⁹⁸ Other abuses, such as *bacha bazi* and family violence, continue and remain culturally tolerated in spite of laws against them. Victims often grow up to become perpetrators, and GBV against these segments of the society increases public health problems, economic losses, and poses great danger to psychological and reproductive health status.

USAID utilizes a holistic approach to prevent and address the widespread issue of GBV in Afghanistan, and resources will be appropriately focused on addressing the most prevalent forms. USAID will work with local organizations, civil society, and key stakeholders, including high risk populations, to empower and enable them to protect themselves from GBV. Advocacy will encourage activists to start within their homes and spread their influence to their communities. Protection efforts will focus on interagency partnerships to link advocacy with enforcement of the law, holding the government accountable for enforcement, providing research and essential information, shelter and vocational assistance and enabling communications for cultural change. Mitigating and reducing GBV and providing women an opportunity to thrive in society will increase gender equality and female empowerment.

⁹⁸ Government of the Islamic Republic of Afghanistan, Central Statistics Organization and The Ministry of Public Health, *Afghan Demographic and Health Survey*, 2015, pg 316. Available at: <https://dhsprogram.com/pubs/pdf/FR323/FR323.pdf>. Accessed: June, 2018.

DO 3: Government Accountability to Citizens Increased

USAID is focusing on increasing the Afghan government's accountability to citizens under this strategy because of its importance to the self-reliance and stability of Afghanistan. USAID expects that an Afghan government accountable to engaged citizens will be more effective in formulating policy, delivering services, and addressing a culture of corruption. These changes are needed for the country to begin to address its own development challenges. Increasing the government's accountability to its citizens will improve the country's stability and self-reliance, as Afghans' trust in their government improves and civic participation expands.

The development hypothesis for DO 3 is that if USAID focuses on increasing citizen participation in decision-making processes, improving the effectiveness of government institutions, and reducing the GoA's vulnerability to corruption, then government accountability to citizens will increase. USAID will focus its work in the same geographic areas as economic growth and social sector efforts. Support in concentrated geographic areas is expected to improve the government's ability to provide a range of core services in population centers, increasing positive public perception of the government as well as the government's legitimacy, and ultimately, its self-reliance.

The underlying assumptions under this DO include the continuing support and commitment of Afghanistan's new government to transparent and accountable governance; the security situation not resulting in the disruption of governmental functions; and the citizens and civil society remaining vigilant to pursue government and policy reforms to advance strong and inclusive governance.

Achieving DO 3's objectives involves the participation of other development partners, such as the World Bank-funded CC project that works to connect local and national governance to improve the GoA's accountability to its citizens and its use of public resources; and UK's DfID focuses on responsible public financial management, supporting DO 3 goals for accountability and transparency.

IR 3.1: Citizen Participation in Decision-Making Processes Increased

While Afghanistan's civil society has developed significantly in the last decade, Afghans still face challenges to participating in decision-making processes. The continued lack of security in many parts of the country makes exercising the basic right to vote, at times, a life-threatening act. Coupled with cultural norms that effectively disenfranchise a significant portion of the female voting population, the public does not yet view elections as an effective way to influence public policy. Additionally, nearly 75 percent of Afghans are afraid to participate in peaceful demonstrations, in spite of the Constitution affording the right for unarmed demonstrations, "... for attaining legitimate and peaceful purposes."^{99,100} The ability of Afghans to freely and openly participate in political and decision-making processes is crucial in ensuring the government's accountability.

Nevertheless, political commitment to enhance citizen engagement exists, and relatively speaking, Afghanistan scores higher than average on Civil Society Capacity from the Self-Reliance roadmap.¹⁰¹ As part of the Transformation Decade (2015-2024), the GoA acknowledged that CSOs and the media

⁹⁹ The Asia Foundation, "Afghanistan in 2017. A Survey of the Afghan People," 2017. Pg. 108, 110. Available at: <https://asiafoundation.org/publication/afghanistan-2017-survey-afghan-people/>. Accessed: March, 2018.

¹⁰⁰ Article 36 of the 2004 Afghan Constitution states: "The people of Afghanistan shall have the right to gather and hold unarmed demonstrations, in accordance with the law, for attaining legitimate and peaceful purposes." Available at: <http://www.afghanembassy.com.pl/afg/images/pliki/TheConstitution.pdf>. Accessed: March, 2018.

¹⁰¹ According to V-Dem's Diagonal Accountability Index, a major indicator for the self-reliance roadmap, Afghanistan scores 0.59 in 2017, between Pakistan 0.61 and Bangladesh 0.51. Source: <https://www.v-dem.net/en/analysis/VariableGraph/> (Choose Selected V-Dem Additional Indices, Accountability index, Diagonal Accountability Index)

“...make significant contributions to Afghanistan’s stability and development,”¹⁰² also expressing a commitment to “...encourage the independence of civil society and promote free media.”¹⁰³ In addition to the expressed political commitment, Afghan civil society and media have, in the last decade, increased their engagement in national conversations and helped bridge the communication gap between government and communities by facilitating public discourse on policies; representing community needs to local governments; facilitating voter participation; and informing the public on the importance of active citizenry.

USAID will support civil society’s capacity to advocate for and monitor GoA reforms and commitments. USAID will also aim to increase opportunities for citizen participation in political and electoral processes, with a particular focus on women and youth civic participation in dialogues on policy decisions and national direction. To aid citizens’ active participation in decision-making processes, USAID will assist the Afghan media in its efforts to provide credible, unbiased, and timely reporting, as well as in understanding Afghan laws and processes on accessing government-held information and data.

Sub-IR 3.1.1 Access to credible public information and independent media increased

Data and news from government-funded agencies as well as media outlets are the foundation of public information. Increasing access to credible information should include working with civil society and media outlets to expand access to that information. Media outlets include radio, television, newspaper, and online platforms that are free from the control and influence of the government and anti-government groups. Increased access to credible public information and independent media should come from a diversity of valid information sources. Identifying and addressing barriers to access, such as use of local language and most easily accessed media, will minimize obstacles that prevent citizens’ ability to access public information.

The growth of independent media in Afghanistan over 16 years is one of the USG’s most remarkable achievements.¹⁰⁴ In 2014, as a result of media and civil activism, the GoA signed into law the *Access to Information Law* which extends citizens’ access to government-held information with a few minimal exceptions.¹⁰⁵ Despite progress, the media sector and media professionals in Afghanistan still face frequent threats, harassment, and suffer violence and even death, especially when reporting on sensitive topics. In 2017, for example, most journalist deaths were attributed to attacks by the Islamic State of Iraq and the Levant (ISIS) and the Taliban,¹⁰⁶ with a smaller percentage of “harassment and intimidation” exercised by representatives of the government, including politicians and security officials.¹⁰⁷

To capitalize on the progress made in the last decade, USAID will support greater citizen participation in decision-making by increasing Afghans’ access to credible public information from government-funded agencies and independent media outlets. USAID will promote collaborative efforts between media and civil society since both share a common interest in key public policy issues. Strengthening these relationships can improve public awareness and government accountability. USAID will also support awareness of citizens’ rights and responsibilities within the Afghan constitution, in part through support to media organizations and civil society networks and coalitions to promote civic education and greater

¹⁰² Islamic Republic of Afghanistan, “Afghanistan National Peace and Development Framework (ANPDF) 2017 to 2021,” p. 31

¹⁰³ Afghan Ministry of Foreign Affairs official website: <http://mfa.gov.af/en/page/6547/transformation-decade2015-2024>

¹⁰⁴ United States Institute of Peace, Afghanistan Media Assessment. 2010, pg. 3.

¹⁰⁵ Exceptions include threats to national security, invasion of privacy, and interference in criminal investigations.

¹⁰⁶ Afghanistan Joint Safety Committee, “Six Month Report Jul-Dec 2017,” January 11, 2018. Available at: <http://ajsc.af/six-month-report-jul-dec-2017/>. Accessed. May, 2018.

¹⁰⁷ U.S. Department of State, “2017 Human Rights Report.” Available at: <https://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>. Accessed: May, 2018

civic participation. Greater access to quality, independent information will help civil society and the media in their efforts to better inform citizens in support of a self-reliant Afghanistan.

Sub-IR 3.1.2 Political participation of citizens increased

A better-informed citizenry facilitates higher levels of and more effective public political participation — a cornerstone of democratic governance. Political participation refers to involvement in and understanding of important government processes, such as elections, service delivery, and rule of law, in order to improve the quality and transparency of those processes to benefit citizens. Since its first election after the fall of the Taliban regime, held in 2004, Afghan participation in voter exercises and governance at large has increased in spite of security limitations and threats posed by anti-government elements. This progress is not fully reflected in the Open Government and Liberal Democracy scores of the Self-Reliance roadmap. Furthermore, surveys of the Afghan people not included in the open and accountable governance portion of the roadmap reveal a cautious but real commitment to hold governance accountable. Therefore, USAID has confidence in engaging the population and CSO community, noting that to some extent popular will exists to see government function effectively and transparently.

USAID is committed to supporting the Afghan people in strengthening citizens' awareness and participation in political and decision-making processes affecting their country, as well as promoting inclusiveness so that more people, including women and youth, have a greater understanding of how government processes operate and affect daily life.

CSOs and media play important roles in garnering citizens' voices and representing citizens' needs to local and central government. USAID will continue to support civil society and media organizations, building on past programmatic successes, to mobilize citizens and constituencies for greater participation in the upcoming parliamentary and presidential elections. Greater citizen participation and oversight of electoral processes also contribute to stronger public confidence in electoral outcomes.

USAID will support local organizations and political entities, such as candidate representatives, to observe electoral processes throughout the election cycle. Studies show that accredited observers in local elections may deter fraud in some situations, and can also call attention to incidences of fraud and procedural errors when they do occur. USAID will assist government election management bodies in their efforts to administer free, fair and equitable elections across the country by providing technical assistance and supporting capacity building initiatives. USAID will also aim to bridge the communication gap between these bodies and citizens through provincial and local forums in the lead-up to elections.

Sub-IR 3.1.3 Civil Society advocacy for reform strengthened

Civil society participation is a critical component of democratic governance. To advocate for reform, Afghan CSOs, including youth and women's organizations, require an understanding of what policy changes will benefit Afghans. With greater knowledge and skills about how to focus advocacy efforts, civil society is better able to influence government to adopt key changes and hold officials accountable when they act outside the public's interest.

The civil society sector in Afghanistan has been active and engaging; however, gaps in capacity remain, sustainable sources of funding are elusive, and an understanding of how Kabul develops and implements policy is lacking. Along with long-lasting insecurity, these weaknesses keep civil society focused on chasing resources instead of advocating for crucial issues. Many CSOs also have difficulty retaining staff, as individuals often seek better opportunities and more appealing compensation for their livelihoods.¹⁰⁸ This affects the ability of CSOs to retain knowledge and expertise, and ultimately limits their role in

¹⁰⁸ Hajee Parveen Roy, Ehsan Shaeygan, "The State of the Enabling Environment for CSOs in Afghanistan," Counterpart International and partners", 2016. Available at: <http://www.acbar.org/upload/1509511098944.pdf>. Accessed: July, 2018

effectively advocating for reforms.

Despite the magnitude of challenges, Afghan civil society has made significant strides in the last decade. By engaging in political discourse and enabling civic and political participation, CSOs have influenced government decision making processes. Afghan CSOs have advocated for reforms and better laws, monitored public services as well as elections, and promoted rights for children, women, and minorities.

USAID will continue to contribute to developing a more vibrant and capable CSO environment in Afghanistan by building on successes and strengths. By further strengthening civil society's capacity in advocacy, USAID will help these organizations better represent their constituencies to the government; by increasing CSOs' ability to monitor, research and advocate for reforms, USAID aims to advance the government's transparency and accountability.

IR 3.2: Improved effectiveness of government institutions

Effective governance at all levels and good relationships between central and provincial authorities contribute to improved service delivery. When government-delivered services are effective in meeting the needs of citizens, it contributes to greater public confidence in the government. Increased trust in local and central government, in turn, reduces support for anti-government elements and extremist groups that act as alternative service providers and increases the government's self-reliance, as government effectiveness is needed for a nation to solve its own development problems.

Afghanistan has made some progress in deconcentrating governance in the last decade by streamlining governance institutions; allocating resources to municipalities and provinces; and encouraging open and transparent procurement processes. After his election, President Ashraf Ghani committed to gradually allocate 40 percent of the central government budget to provincial governments. In May 2018, the GoA approved a roadmap for subnational reform titled, "*Citizen-Centered Governance*."¹⁰⁹ The roadmap mandates the creation of a subnational governance council that would implement and oversee reforms, develop financial management methods, devolve certain powers to allow local governments to manage their own resources, and streamline roles and responsibilities among the many local government offices.

USAID will work with government administrations at national and subnational levels to better respond to citizen's needs, improve revenue generation, and improve government response to humanitarian crises. Specifically, USAID will assist Electoral Management Bodies before, during, and after elections in support of transparent elections and effective communication with voters. USAID will continue working with targeted municipalities throughout the country to strengthen their capacity in generating revenue, an essential resource for providing needed services. USAID will also support the expansion of an information management and communication system to across the GoA. USAID will continue its assistance to provincial governments on crafting provincial development plans and facilitating coordination with civil society actors, community councils, and community leaders. Finally, USAID will continue ARTF support to local level CDCs to foster connections between central and grassroots level governance.

Sub-IR 3.2.1 Government Administrations and Municipalities better respond to citizens' needs

Local governments in Afghanistan depend on the central government for resource allocation and decision-making authorities. This greatly affects subnational governments' ability to provide needed services to citizens. Provincial and district government offices often rely on line ministries (i.e. local

¹⁰⁹ His Excellency the President of Afghanistan, Ashraf Ghani, "Islamic Republic of Afghanistan: Citizen-Centered Governance, A Roadmap for Subnational Reform" May, 2018. Available at: <http://documents.worldbank.org/curated/en/176061540413424342/pdf/131295-WP-P164594-AttachmentSNGPolicy.pdf>. Accessed: December, 2018.

offices of various ministries) for budgetary allocations and determination on which services and development initiatives to fund. In order to reach its citizens more effectively, the GoA has made efforts to devolve limited governance functions, and to encourage well-performing local administrations with incentive funds for delivering on proposed development plans.

Despite Afghanistan's security challenges and limited government capacity, the subnational government sector has achieved noteworthy progress in the past few years. For example, 167 partner municipalities were equipped with Integrated Financial Management System (IFMS). Provincial administrations have improved links between citizens' priorities and provincial development plans that feed into the national budget for funding. To help the government continue to improve how citizens' needs are addressed, USAID will continue helping to improve government systems and to build capacity of government institutions. USAID will work with those institutions demonstrating political will and capacity for change, and will equip partner municipalities with tools aimed at improving their ability to remain responsive to the growing needs of citizens at all levels.

Sub-IR 3.2.2 Government revenue generation improved

A major impediment to the subnational governments' ability to provide services is a lack of authority to generate local revenue that can be easily invested into local services and development programs. Municipalities are the only local government entities able to generate their own revenue. For this reason, municipalities are uniquely positioned to provide more efficient and timely services in response to citizens' needs, and their unique ability to collect and spend revenue locally supports the effective governance needed to become more self-reliant. The inability of utilities to effectively bill and/or collect for water and electricity services hampers service delivery and expansion to under or unserved areas. As mentioned above, improved service delivery can boost citizens' confidence in government. This is particularly relevant at the sub-national and municipal level.

USAID will continue supporting municipalities' revenue generating capacity, which helps build greater financial self-reliance, and work with them to use IFMS to support better, more accountable resource allocation, and to incorporate citizens' needs into local economic development plans for improved service delivery. Improved revenue generation and service delivery are intertwined in contributing to local economic growth and effectiveness of the government institutions. USAID will strengthen the revenue collection ability of national utilities, namely the Afghanistan Urban Water Supply and Sewerage Corporation and Da Afghanistan Breshna Sherkat, the electric utility. USAID will also provide TA where possible to link the private sector with local governments in order to form public private partnerships that would boost economic growth, improve the well-being of residents and, ultimately, support Afghanistan's journey to self-reliance.

Sub-IR 3.2.3 Government response to humanitarian crises improved

USAID assists civilian Afghan families and communities suffering losses from military operations against the Taliban and other insurgent groups and also works through the GoA to offer critical assistance in the aftermath of humanitarian crises. As part of its contingency plan under this CDCS, USAID's Office of Foreign Disaster Assistance (USAID/OFDA) and Office of Food for Peace (USAID/FFP) will provide emergency assistance to returnees and host communities, in coordination with the DoS Bureau of Population, Refugees and Migration, NGOs, UN agencies and the GoA. USAID will also work to address long-term reintegration and development needs in areas with high potential returnee volume. Included in this approach are coordinated health and education assistance, such as access to basic health and nutrition services, as well as CBE services, such as teacher training, school grants, textbooks, and scholarships. Educational support could also include training for returnee-owned businesses, workforce development training, and assistance in finding a job. These programs are designed to be adaptable to the needs of returnees, especially women and youth, and can include victims of human trafficking in Nangarhar, Laghman, Kunar and Kabul if needed.

USAID will work to improve government ability to provide emergency and short-term aid to those affected by conflict and disasters and to coordinate longer-term response to humanitarian crises. USAID also supports early warning mechanisms, such as the Famine Early Warning Systems Network (FEWS NET), to identify potential crises and help the GoA plan responses to disasters as far in advance as possible. Climate change awareness is a critical part of this set of activities as well.

In close collaboration with the Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD), USAID will identify the best ways to assist eligible Afghan families and provide them with support to restore their lives after a traumatic event. USAID ensures the provision of critical relief for eligible Afghan civilian families and communities, while building the capacity of MoLSAMD to provide this assistance in the future. USAID does not provide condolence payments, or cash assistance.

IR 3.3: Reduced vulnerability to corruption

Since 2004, Afghanistan has created myriad anti-corruption institutions, many of which have failed to effectively tackle corruption, or make the government more open and transparent. Patronage and nepotism, clientelism and tribalism, along with a dearth of opportunities for better livelihoods, are among the obstacles to effective anti-corruption efforts in Afghanistan. Transparency International's 2017 Corruption Perceptions Index ranks Afghanistan 177 out of 180 countries assessed.¹¹⁰ Between 70 and 80 percent of Afghans perceive corruption as a major problem in their daily lives.^{111,112} Corruption has direct consequences for Afghans, as they are frequently forced to pay bribes in order to access basic services. Corruption also severely impedes economic growth and development progress, affecting the credibility of the government and fueling widespread resentment.¹¹³ As a major impediment to Afghanistan's path to self-reliance, corruption is an entry way for anti-government elements to exert power and influence, damaging perceptions and undermining legitimacy of the government.

In the face of such challenges, the GoA has made a series of commitments to fight corruption. USAID is aligning its strategy to support Afghanistan's 2017 National Corruption Strategy.¹¹⁴ To reduce the GoA's vulnerability to corruption, USAID will support the GoA to more effectively implement Afghan laws, address corruption — especially within ministries, judicial institutions and other agencies — and provide dispute resolution services to citizens.¹¹⁵ In line with supporting citizens' participation in governance, projects under this strategy will also aim to strengthen the ability of CSOs and independent anti-corruption agencies to monitor government performance and safely report corrupt practices.

USAID's assistance will strengthen Afghan institutions' capacity to identify vulnerabilities to corruption in the delivery of public services; increase their ability to recommend ways to address these vulnerabilities; and implement procedural reforms based on these recommendations. As corruption is a

¹¹⁰ Transparency International. "Afghanistan". Available at: <https://www.transparency.org/country/AFG>. Accessed: March, 2018.

¹¹¹ The Asia Foundation, "Afghanistan in 2017. A Survey of the Afghan People," 2017, p. 99. Available at: <https://asiafoundation.org/publication/afghanistan-2017-survey-afghan-people/>. Accessed: March, 2018.

¹¹² Transparency International, "To Fight Corruption Afghanistan Must Strengthen and Reform its Anti-Corruption Agencies," April 2017. Available at: https://www.transparency.org/news/pressrelease/to_fight_corruption_afghanistan_must_strengthen_and_reform_its_anti-corrupt. Accessed: March, 2018.

¹¹³ Integrity Watch Afghanistan, "National Corruption Survey 2016," Available at: <https://iwaweb.org/wp-content/uploads/2016/12/Executive-NCS-2016.pdf>. Accessed: March, 2018.

¹¹⁴ See: "Afghanistan National Strategy for Combatting Corruption." Available at: http://mof.gov.af/Content/files/AFG_AntiCorruptionStrategy_Eng_.pdf. Accessed January, 2019.

¹¹⁵ Afghan law requires that dispute resolution mechanisms function through the High Office of Oversight and Anti-Corruption (HOOAC) as well as through offices such as the Tax Disputes Resolution Board. See: United Nations Assistance Mission in Afghanistan, "Afghanistan's Fight Against Corruption, The other Battlefield." April, 2017. Available at: https://unama.unmissions.org/sites/default/files/afghanistans_fight_against_corruption_-_the_other_battlefield_-_april_2017-english.pdf. Accessed: April, 2018

cross-cutting issue, USAID will support partner government institutions across the portfolio in establishing operational procedures that reduce opportunities for corruption. In parallel, USAID will provide TA to local CSOs, strengthening their capacity to test and monitor the effectiveness of those reforms and to advocate for their implementation. As active part of civil society, youth engagement will be enhanced in all efforts. An example of the power of youth is a group known as Afghanistan 1400, a youth political movement, which counts leading young men and women among its members.¹¹⁶

Sub-IR 3.3.1 Implementation of Laws and Regulations that Impede Corruption Advanced

Afghanistan's legal framework to mitigate corruption includes: the revised *Criminal Procedural Code*, *Anti-Money Laundering Law*, *Law on the Declaration and Registration of Assets by State Officials and Employees*, the *Afghan Penal Code*, and *Access to Information Law*. The Ministry of Justice, under direction from the President, continues to draft legislation to address gaps. Yet within ministries and government institutions, the regulations and guidelines to implement these laws are often weak or unformulated. Where guidelines do exist, implementation suffers from entrenched self-interest and poorly defined roles. Overall, operational systems and business processes are weak and scattered, creating opportunities for corruption.

USAID will address corruption by helping the GoA implement existing laws and regulations and by supporting the MEC to assess vulnerabilities within revenue generating ministries and key public institutions.

Sub-IR 3.3.2 Effective Legal Enforcement of (formal and informal) Laws Increased

In addition to supporting laws and regulations designed to combat corruption, USAID recognizes that law enforcement is a critical part of mitigating the risk of corruption. A well-functioning judicial system, including court administration and judicial competency, ensures attention to the rule of law and plays a vital role in addressing corruption and inhibiting a culture of impunity. In Afghanistan, poorly structured court administration creates opportunities for corruption when, for example, forms get misfiled, cases are delayed, or hearing dates remain unscheduled. The judicial system allows for individual judges to interpret the law independently and has limited capacity for investigating and reviewing allegations of corruption against judges. Inconsistency in applying laws and the absence of transparency in rulings and sentencing provides space for invested parties to influence outcomes.

Aside from the formal justice system, communities practice traditional dispute resolution under a traditional justice system. Many Afghans use this parallel, non-formal system to resolve civil and criminal disputes. For those who have no understanding of their rights under the law and no access to representation, access to real justice is limited. Aligning formal and non-formal systems and integrating decisions so they are accepted in each system is another essential approach for increasing judicial effectiveness.

Under this strategy, USAID will provide TA for court administration, support institutionalizing judicial inspections, and strengthen the Legal Aid Department. USAID will continue to work with the GoA to support a judicial system that provides citizens, including the indigent and poor, with access to consistent, impartial justice.

¹¹⁶ S Reza Kazemi, Afghan Analysts Network, "The 'Afghanistan 1400' Movement: Changing Youth Politics in Afghanistan?" May, 2012. Available at: <https://www.afghanistan-analysts.org/the-afghanistan-1400-movement-changing-youth-politics-in-afghanistan/>. Accessed: December, 2018.

Sub-IR 3.3.3 Independent Monitoring of Government Functions (CSOs and Independent Anti-Corruption Agencies) Improved

While the GoA has made some progress in establishing government structures to reduce the risk of corruption, the compound benefits of financial gains, power attained, and patronage that come from corruption often create obstructions from within, confounding the government's initiatives to address corruption across the country. Beyond impeding effective government operations, corruption damages government's credibility and legitimacy with the populace. Independent organizations, media, and civil society have the potential to complement the GoA's efforts by playing an important watchdog role and providing external checks and balances while the government reforms internal systems.

One example is the USAID-supported MEC, which plays a key role in assessing risks and vulnerabilities for corruption within government ministries and agencies, and sharing those risk assessments with GoA. The MEC also offers recommendations about how government institutions can mitigate those risks.

Afghanistan's civil society sector is increasingly rooted in its broader society, including formal and registered organizations as well as movements that arise to address a specific issue. Afghans engaged in civil society serve as local experts with credible voices to highlight corruption. Similarly, Afghanistan's independent media is maturing and moving beyond the major urban areas into rural areas. USAID plans to support diverse independent entities that aim to contribute to reducing the risk of corruption through monitoring and awareness. USAID's approaches include grants and technical assistance for organizations as well as skill development in the area of investigative journalism for young men and women reporters. Through engaging media organizations, USAID will support reporting on corruption and collaborate on using media platforms for education and awareness-raising.

IV. Cross-Cutting Themes

Though development activities under this CDCS generally fall under one of three development objectives in support of an overall goal, certain lines of effort, known as cross-cutting themes, extend across the whole strategy and support achievements in all sectors. The Mission defines cross-cutting themes as those which contribute to multiple results in the results framework (RF) or are tracked by at least one indicator in the RF. The cross-cutting nature of themes can be evident in a specific area of the RF — for example, in an IR to which multiple sectors contribute. It can also be reflected in multiple IRs and Sub-IRs across the strategy.

Pursuit of cross-cutting themes is particularly important for helping Afghanistan achieve self-reliance. Addressing a growing youth bulge, poor gender equality, rampant corruption, nascent private sector engagement, and workforce challenges across sectors creates an enhanced capacity and will for solving development challenges with domestic resources. These themes run throughout this strategy and will be integrated at the activity levels. They further enhance USAID priorities, intersecting across IR's and sub-IR's to achieve the CDCS goals. For this strategy, USAID focuses on five cross-cutting themes: Youth, Gender, Anti-Corruption, Workforce Development, and Private Sector Engagement.

Youth: Positive youth development is a key factor in the future of Afghanistan. The participation of youth in the labor force is critical to the nation's economic future and Afghanistan's greater self-reliance. Work in this area will increase Afghanistan's inclusivity, a key sub-dimension of self-reliance. Under the CDCS, in support of the USAID Youth Policy, youth programming will be intentionally and appropriately integrated across all activities, and will be a key element of workforce development programs. The youth population has the potential to transform Afghanistan from decades of war to peace and from donor dependency to greater self-reliance, if provided the necessary tools and skills. USAID will provide educational, health, and employment opportunities to cultivate their abilities as effective

future leaders of a self-reliant Afghanistan. To operationalize the youth initiative, language on youth integration will be added in future solicitation and procurement actions, and age disaggregation will be included in selected performance indicators. USAID will continue to engage youth across sectors, including in subnational governance internship programs, media, public outreach and dialogue, Provincial Youth Commissions, targeted capacity building and learning events, innovation labs for young information technology professionals, and workforce development programs.

Gender: Afghan women continue to struggle for parity in health care, economic opportunities, and political empowerment, and must play an active role in the future stability and development of the country. Afghanistan cannot tackle poverty, injustice, violence, or achieve greater self-reliance unless women fully participate in the country's economic, social and political life. Under the CDCS, gender equality and female empowerment is both a central theme with its own IR and a cross-cutting approach in all sectors and programs. The aim is to create opportunities to increase women's participation in the economy, government and civil society, promote gender equality between women and men, enable girls and boys to benefit from the development of their society, reduce and mitigate gender-based violence, and engage men to advocate and help improve the enabling environment for women and girls. USAID will support the development of gender action plans that will address gender issues, gaps and constraints identified in project/activity-level gender analysis.

Anti-Corruption: Corruption impacts all sectors in Afghanistan and is a significant barrier to achieving self-reliance through strong open and accountable governance, and robust government capacity. However, corruption is reduced when there are practices institutionalized within government that counter a culture of impunity and reinforce the respect to rule of law. Consistent implementation of a regulatory framework supported by an effective judicial system creates an environment where decisions are fair, transparent, and respected. Addressing corruption within the IRs and sub-IRs will work to inhibit fraudulent and corrupt practices at the activity level. To capture results across the Mission portfolio, all relevant IRs and Sub-IRs will report on achievements of anti-corruption activities, using common performance indicators that measure corruption.

Workforce Development: Developing Afghanistan's workforce will create opportunities to increase economic stability and alleviate poverty. USAID will incorporate Workforce Development across the strategy to improve the quality and relevance of skills development programs for industry, government, and private sector manpower requirements, and in the process, increase the employability of Afghans, especially women and youth. Work in this area will thus also increase Afghanistan's inclusivity, a key sub-dimension of self-reliance.

Private Sector Engagement: This strategy will leverage the financial and technical strengths of domestic and international firms to accomplish development objectives in all sectors and leverage the benefits of private sector engagement in moving Afghanistan toward greater self-reliance. In agriculture, private companies have market entry, regional connectivity, and value chain investment capabilities largely absent in the public sector. As profit- and growth-driven enterprises, agricultural firms will regulate production of key crops according to international and domestic demand and invest efficiently in value chains to maximize the domestic and export value of each agricultural product. In health, private enterprise may capture "medical tourism" revenue and increase overall health care sector management by developing high quality private hospitals in major Afghan metropolitan areas. Education may benefit from the efficiency of private sector printed and distributed textbooks, and private sector engagement in gender could help create vibrant, women owned companies.

V. Critical Assumptions and Risks

USAID systematically analyzes the potential interactions between country context and development mechanisms through careful research and use of lessons learned. The goal is to best address development problems with available resources, based on an educated assumption of what USAID thinks will happen when USAID implements an activity. Below are the most critical assumptions that USAID accounts for in making programming decisions.

Assumptions:

The insurgency and poor security situation in Afghanistan will continue to restrict USAID’s mobility in-country; however, the overall percentage of insurgent-held territory will not change significantly, nor will insurgents make lasting gains in urban areas.
An urban and population center-focused approach to programming will enable more effective monitoring and evaluation of USAID programs.
Afghanistan’s regional relationships will remain the same or improve somewhat. Land-route import-exports will continue to be difficult.
Gender programming will open opportunities for women, that they will be willing and able to access. ¹¹⁷
Addressing corruption will require systemic changes and raising citizen expectations.
The ARTF, USAID’s primary means of preserving previous development gains, will continue to operate, and the World Bank will implement its enhanced monitoring plan for the program.
International donors will continue to support Afghanistan.
GoA agreed reform efforts enable the private sector to better expand.
GoA anti-corruption efforts of the government mitigate risks to programming.
Elections will be conducted and not create unrest.

USAID also takes into account the risks involved in an activity and decides whether the value of implementation outweighs potential risks involved, using the Agency Risk Appetite Statement (Statement). Other risks will be mitigated through individual activity adaptive approaches as outlined in Activity Monitoring, Evaluation and Learning Plans (AMELP). The remaining risks USAID judges to simply be part of operating in a non-permissive environment and worth accepting to achieve a larger goal. The risk profile adopted in the CDCS is within the scope of Agency guidance as outlined in the Statement. They will be addressed as they arise.

VI. Monitoring, Evaluation, and Learning

The monitoring, evaluation and learning (MEL) approach in this strategy builds on the MEL systems developed to address the challenging operating environment in Afghanistan, which limits the ability of USG staff to conduct site visits. In addition to the MEL requirements outlined in the ADS, USAID uses a

¹¹⁷ The gender programming approach is first to open opportunities through education, network access, internships, social advocacy, etc. Then, the assumption is women will want the available openings within government, civil society, and the private sector. Analysis does not support the assertion that there are many women in Afghan society willing to advocate for opportunity (though, fortunately, there are some) but it does support the supposition that, once opportunity exists, women will come forward to take advantage of it.

multi-tiered monitoring (MTM) approach and the Afghan Info database. Afghan Info is used to track indicators, report on results, monitor performance, store and use Geographic Information Systems (GIS) data, conduct operational planning, support Performance Plan Reports, and track new projects and activities, budgets, and plans.

The MTM approach draws upon direct observation and analyses done by USG staff, independent third-party monitors, implementing partners, the GoA, other donors, civil society organizations, beneficiaries, and other pertinent sources of information. Triangulating data from multiple sources increases confidence that implementation is on track and corroborates the achievement of key performance results under the CDCS. USAID staff record this information in a monitoring capture tool and report performance information in Afghan Info against contractual requirements. The Mission currently uses this method to track progress and builds on these measurements using evaluations and assessments to inform activity design, proxy and context indicators to track changes in the environment, and in-depth analyses to better understand the strategy's effectiveness. This MEL approach provides a continuous feedback loop of information that informs course correction in a dynamic environment. By emphasizing data utilization, USAID will continue to build on this feedback loop by identifying gaps in knowledge and addressing those gaps through in-depth studies, evaluations, and staff capacity building.

The Performance Management Plan (PMP) for this strategy clearly defines indicators to track progress against DOs, IRs and Sub-IRs, data sources, methods of data collection and analysis, as well as baselines and targets. The PMP includes a plan to conduct required independent performance evaluations of projects and activities using rigorous methods that systematically test the underlying development hypotheses. The PMP describes the Mission's CLA approach to ensuring that strategic collaboration, program coordination, continuous learning and adaptive management take place. CLA methods provide concrete means for USAID to re-assesses progress against its development hypotheses and make operational adjustments during the life of the strategy. CLA will be a driving force behind the CDCS mid-course stocktaking process and provide planned opportunities for Mission-wide strategy discussions.

VII. Contributions from other Development Partners

International donors continue to support Afghanistan with assistance in almost every technical and social sector. The GoA also implements its own set of development programs, particularly at a local level. USAID coordinates with these efforts. Our programs complement and reinforce the efforts of our partners, and vice-versa, and fully align with the GoA's strategic priorities.

Through the ARTF, the World Bank contributes to the achievement of results across all three of our DOs. Specifically, the World Bank's Sehatmandi (meaning healthiness) program helps to achieve objectives in DO2 by improving health care service delivery and the overall quality of care available across Afghanistan. In education, the ARTF-supported Education Quality Reform in Afghanistan (EQRA) and Higher Education Development Program (HEDP) contribute to the achievement of USAID objectives by improving quality and management capacity at all educational levels. EQRA includes a focus on equitable access to education, another DO2 goal. The World Bank CC project works to achieve DO3 goals by connecting local and national governance to improve the GoA's accountability to its citizens and its use of public resources and DO2 goals by improving overall service delivery. World Bank International Development Association (IDA) programs contribute to the achievement of DO1 objectives by improving the business environment for private sector entities. Programs such as the Inclusive Growth Development project (IGD) strengthen policy for easier, more transparent investment and trade as well as developing public-private partnerships. Although self-reliance is not its overall purpose, the ARTF supports Afghan self-reliance through incentive based components and by encouraging reform within

Afghan government institutions. Many government donor organizations utilize the ARTF as their principal means of supporting Afghan development.

Other government donor organizations also contribute to the achievement of USAID development goals. The Department for International Development (DfID) focuses on responsible public financial management, supporting DO3 goals for accountability and transparency. The Japanese International Cooperation Agency (JICA) partners with United Nations organizations on women's empowerment in the economy (DO2) and on the development of infrastructure (road and electricity) management capability (DO1). As a result of the 2017 Brussels Conference commitments, the European Union Delegation to Afghanistan signed a new partnership with the GoA in December 2017 emphasizing gender mainstreaming through civil society and the prevention of violence against children (DO2). Scandinavian development organizations contribute significantly to maintaining health care access and quality in Afghanistan, as well.

International organizations also contribute to the achievement of goals under several DOs. The Asian Development Bank (ADB) works on improving electrical infrastructure and management, and the International Monetary Fund (IMF) has a conditions-based credit facility with Afghanistan to improve its transparency in financial management and private investment. United Nations organizations, particularly the United Nations Assistance Mission to Afghanistan (UNAMA), help support the achievement of DO2 goals through its EVAW initiatives and work in preventing human trafficking. UNICEF also contributes to DO2 through its water/sanitation, nutrition and education activities.

ANNEX 1: Self-Reliance Roadmap

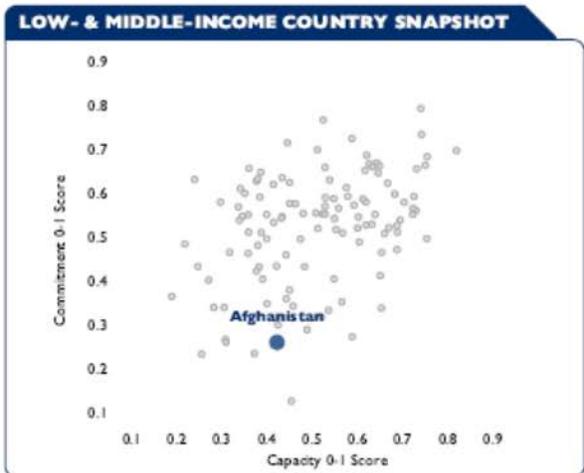


AFGHANISTAN JOURNEY TO SELF-RELIANCE: COUNTRY ROADMAP



LEGEND

- 0-1 score** (circle icon): Afghanistan's Score 0-1, least to most advanced globally
- Other Low- and Middle-Income Countries' Scores** (cloud icon)
- Average Score for Low- and Middle-Income Countries** (vertical dashed line icon)



COMMITMENT

OPEN AND ACCOUNTABLE GOVERNANCE

- Liberal Democracy: 0.23
- Open Government: 0.18

INCLUSIVE DEVELOPMENT

- Social Group Equality: 0.38
- Economic Gender Gap: Data Unavailable

ECONOMIC POLICY

- Business Environment: 0.34
- Trade Freedom: 0.53
- Biodiversity & Habitat Protection: 0.09

CAPACITY

GOVERNMENT CAPACITY

- Government Effectiveness: 0.36
- Efficiency of Tax Administration: 0.56
- Safety & Security: 0.18

CIVIL SOCIETY CAPACITY

- Civil Society & Media Effectiveness: 0.73

CITIZEN CAPACITY

- Poverty Rate (\$5/Day): Data Unavailable
- Education Quality: Data Unavailable
- Child Health: 0.37

CAPACITY OF THE ECONOMY

- GDP Per Capita (PPP): 0.22
- Information & Communication Technology (ICT) Use: Data Unavailable
- Export Diversification: 0.71

All source data is for latest year available, typically 2017 or 2016, and is derived from third-party institutions. All indicators are weighted equally in the calculation of the overall Capacity and Commitment scores.

For more information on definitions and sources, please visit www.usaid.gov/selfreliance

SELF-RELIANCE ROADMAPS

INDICATOR DEFINITIONS AND SOURCES

COMMITMENT

OPEN AND ACCOUNTABLE GOVERNANCE

Liberal Democracy: Measures freedom of expression, freedom of association, suffrage, elections, rule of law, judicial constraints on the executive branch, and legislative constraints on the executive branch. Source: *Varieties of Democracy Institute*.

Open Government: Measures the degree to which a government shares information, empowers people with tools to hold the government accountable, and fosters citizen participation in public policy deliberations. Sub-factors include: publicized laws and government data, right to information, civic participation, and complaint mechanisms. Source: *World Justice Project, Rule of Law Index*.

INCLUSIVE DEVELOPMENT

Social Group Equality: Measures political equality across social groups as defined by ethnicity, religion, caste, race, language, and region. Source: *Varieties of Democracy Institute, Social Group Equality with Respect to Civil Liberties*.

Economic Gender Gap: Index comprising five components: (1) wage equality between women and men for similar work; (2) the ratio of female estimated earned income to male income; (3) the ratio of female labor force participation to male participation; (4) the ratio of female legislators, senior officials, and managers to male counterparts; and (5) the ratio of female professional and technical workers to male counterparts. Source: *World Economic Forum, Global Gender Gap Report, Economic Participation and Opportunity Sub-Index*.

ECONOMIC POLICY

Business Environment: Assesses a country's entrepreneurial climate by measuring business' access to infrastructure (such as the internet and transport, and to credit), business flexibility (the costs of starting business and of hiring and firing), clear and fair regulations (e.g., intellectual property rights), and perceptions of meritocracy and opportunity. Source: *Legatum Institute, Prosperity Index*.

Trade Freedom: Measures a country's openness to international trade based on average tariff rates and non-tariff barriers to trade. Source: *Heritage Foundation, Index of Economic Freedom*.

Biodiversity & Habitat Protections: Measures extent of marine protected areas, terrestrial biome protection (weighted for both national and global scarcity), representativeness of protected areas, and whether protected areas cover the ranges and habitats of critical species. Source: *Yale University/Columbia University Center for International Earth Science Information Network (CIESIN)*.

CAPACITY

GOVERNMENT CAPACITY

Government Effectiveness: Measures the quality of public services, the quality of the civil service and its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its stated policies. Source: *World Bank, Worldwide Governance Indicators*.

Efficiency of Tax Administration: Expert perceptions metric examining management of domestic resources, including tax leakages. Source: *Institutional Profiles Database*.

Safety & Security: A combination of objective measures of security, and subjective measures of personal safety, personal freedom, and social tolerance. Source: *Legatum Institute, Prosperity Index*.

CIVIL SOCIETY CAPACITY

Civil Society & Media Effectiveness: Measures the range of actions and mechanisms that citizens, civil society organizations, and an independent media can use to hold a government accountable. The mechanisms include using informal tools such as social mobilization and investigative journalism. Source: *Varieties of Democracy Institute, Diagonal Accountability Index*.

CITIZEN CAPACITY

Poverty Rate (\$5/Day): Measures the percent of the population living under \$5/day in purchasing power parity (PPP) terms. Source: *World Bank, PovCalNet*.

Education Quality: Indicator is based on five cross-country international tests on education achievement, allowing for a comparative evaluation of the relative performance of schooling systems around the world. Source: *World Bank*.

Child Health: A composite measure that aggregates under-5 child mortality, access to improved water sources, and access to improved sanitation facilities. Source: *Columbia University Center for International Earth Science Information Network (CIESIN)*.

CAPACITY OF THE ECONOMY

GDP Per Capita (PPP): Measures the flow of resources available to households, firms, and government to finance development as the country's total Gross Domestic Product (PPP) divided by the country's population. Source: *World Bank, World Development Indicators*.

Information & Communication Technology (ICT) Use: Index comprising: (1) internet users as percent of population; (2) fixed-broadband internet subscriptions per 100 population; (3) internet bandwidth kb/s/user; (4) mobile broadband subscriptions per 100 population; (5) mobile telephone subscriptions per 100 population; and (6) fixed telephone lines per 100 population. Source: *World Economic Forum (WEF), Global Competitiveness Index*.

Export Diversification: Measures the diversification of a country's export products, one marker that can help gauge economic sophistication and resilience. Source: *UNCTAD, Export Concentration Index*.

ANNEX 2: Key Definitions

Accountability refers to the systems, procedures, and mechanisms that ensure that public officials and institutions perform their stated duties and uphold their responsibilities to the public while imposing restraints on their power and authority and providing for redress or sanction when these duties and responsibilities are not met. Increased accountability of the GoA means that Afghan citizens and civil society are better able to hold their public officials responsible for their actions, decisions, and policies.

A more inclusive, economically viable and self-reliant country: Afghanistan becomes a more inclusive country, in which all people have equal opportunities and are able to fully participate in public and private life; economically viable, at a stage where further economic development can occur independently of donor assistance; and self-reliant, able to provide the country the stability it needs to remain an effective partner in counterterrorism.

Better educated Afghans refers to bringing more Afghans, especially children and youth, to schools and learning institutions, retaining them longer in schools and providing them with a quality education to enable them enhance knowledge and skills that will help them to improve their wellbeing, increase their potential economic productivity and employability, strengthen their ability and desire to participate constructively in the democratic process, and otherwise improve their living standards and quality of life.

Citizen Participation in Decision-Making Processes Increased: Private individuals, civil society organizations (including women and youth groups) media outlets, and other relevant organizations are engaged in influencing public policy decision-making processes.¹¹⁸

Capacity for self-reliance is defined as how far a country has come in its journey across the dimensions of political, social, and economic development, including the ability to work across these sectors, and includes the following sub-dimensions: government capacity, civil society capacity, citizen capacity and capacity of the economy.

Commitment to self-reliance is defined by how well a country's laws, policies, actions, and informal governance mechanisms (for example, cultures and norms) support progress towards self-reliance, and includes the following sub-dimensions: open and accountable governance, inclusive development, and economic policy.

Deconcentration, often referred to as administrative decentralization, describes the transfer of specific functions to the peripheral agencies of the same central government institutions, without the transfer of the faculty of inter-institutional or inter-sectoral coordination or integration. In this type of decentralization, the decentralized agencies remain dependent on the central government. Sometimes regional or provincial branches of central offices have some authority to make independent decisions, usually within the limits set by central governments.¹¹⁹

Delegation is the attribution of certain specific functions to semi-autonomous autarchic or para-state organizations, which execute them independently, without owing direct responsibility to local or sectoral central government institutions (for example, independent regulatory bodies such as the banking

¹¹⁸ University of Oregon. Planning Analysis: "*The Theory of Citizen Participation*". Available at: <http://pages.uoregon.edu/rgp/PPPM613/class10theory.htm> . Accessed: March, 2018.

¹¹⁹ Compiled from: United Nations Population Fund, "*United Nations Population Fund and Government Decentralization: A Study of Country Experiences*," New York: Office of Oversight and Evaluation, United Nations Population Fund, 2000); World Bank, "*Service Delivery and Governance at the Sub-National Level in Afghanistan*," Washington, DC: World Bank, 2007.

supervision and telecom authorities or independent central banks).¹²⁰

Devolution refers to the transfer of specific functions of central government to local authorities together with the legal basis, the capacity for the generation of material and human resources, and the discretionary decision power. In this context, the decentralized agencies have little reliance on the central government, unless prescribed in the relevant laws on devolution. Typically, elected subnational governments are responsible for delivering a set of public services and for imposing fees and taxes to finance these services.¹²¹

Female Empowerment Increased: The increased capability of women and girls (and youth) to realize their rights, determine their life outcomes, and influence decision-making in households, communities, and societies.

Gender equality increased: A reduction in gender disparities in access to, control over and benefit from resources, wealth, opportunities and services - economic, social, political, and cultural.¹²²

Health outcomes refer to the impact healthcare activities have on individuals and/or populations that result from specific health care investments or interventions.

Human capital refers to a healthy, educated and empowered population that forms the foundation for a more developed, prosperous, peaceful, and stable society.

Improved effectiveness of government institutions: Government institutions in this context are defined as national and sub-national public organizations. Government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. Effectiveness in this case refers to government's ability to effectively implement decisions and provide public services, efficiently mobilize revenue and manage budgets, respond to humanitarian crises and people's needs, among others.¹²³

International trade and connectivity increased: International trade involves commerce with countries throughout the world. Connectivity refers to the joint commercial relationships between countries for mutual economic benefit. Increased connectivity and trade means enhanced linkages and commerce between Afghanistan and its neighbors.

Positive youth development: Engages youth along with their families, communities and/or governments to empower youth to reach their full potential.

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² USAID. "Gender Equality and Female Empowerment, USAID Policy", March 2012. Available at: https://www.usaid.gov/sites/default/files/documents/1865/GenderEqualityPolicy_0.pdf. Accessed: March, 2018.

¹²³ The government effectiveness definition (above) is commonly agreed upon by multilateral organizations such as the World Bank, the Millennium Challenge Corporation, and others. Sources: <https://info.worldbank.org/governance/wgi/pdf/ge.pdf> (<http://info.worldbank.org/governance/wgi/#home> ;). For more on how government effectiveness is measured visit: The Millennium Challenge Corporation (MCC), "Government Effectiveness" Available at: <https://www.mcc.gov/who-we-fund/indicator/government-effectiveness-indicator>. Daniel Kaufmann, Brookings Institution, Aart Kraay and Massimo Mastruzzi, World Bank. "The Worldwide Governance Indicators: Methodology and Analytical Issues." September, 2010, Available at: https://www.brookings.edu/wp-content/uploads/2016/06/09_wgi_kaufmann.pdf

Reduced vulnerability to corruption: High performing government agencies with strong operating procedures, mechanisms for checks and balances, integrity, and professional standards build resistance to corruption with accountability and effective governance frameworks.

Self-reliance is the ability of a country to plan, finance, and implement solutions to solve its own development challenges and includes two dimensions: commitment and capacity.

Social gains refers to improvements in the skills, knowledge, experience and health of the Afghan people, in particular women and youth.

Value chain is defined as the full range of activities required to take a product from its conception to its end use, including firm-level activities undertaken by firms to deliver a valuable product or service to a market and the set of suppliers that provide the inputs necessary to the firm along with their value chains. Competitive value chains offer products and services that meet the quality standards of local and world markets at prices that are low enough to compare well with similar products and services and provide adequate returns on the resources employed or consumed in producing them.

ANNEX 3: Climate Change Risk Screening/Assessment

Afghanistan is extremely vulnerable to global climate change. The effects of climate change can impact the success of USAID's projects. Conversely, USAID projects can contribute to climate change through emissions of greenhouse gases. These considerations are integrated into USAID's planning process as part of the Climate Risk Screening (ADS Chapter 201), which is required for the development of all new USAID strategies, as of October 1, 2015, and is intended to improve strategy design.

In April 2017, USAID/Afghanistan began CDCS-level Climate Risk Screening with technical support from the Bureau of Economic Growth, Education, and Environment (E3). USAID/Afghanistan sector offices provided technical input during consultations and commented on the final consolidated screening prior to its integration into the CDCS. Key information sources included the Afghanistan Climate Change Risk Profile and Factsheet (April 2016),¹²⁴ Afghanistan Greenhouse Gas Emissions Profile (May 2016),¹²⁵ the FAA 119 Biodiversity plus Assessment of Climate Vulnerability (April 2017), the Afghanistan National Adaptation Plan (June 2015) and Intended Nationally Determined Contribution (June 2016), other GoA strategies, published research and sector-specific literature (see Bibliography).

Risk levels for each sector were identified as Low, Moderate or High,¹²⁶ based on the scope and nature of activities anticipated over the CDCS period (2019-2023). A determination of moderate or high climate risk warrants additional actions at the project and activity level that may include more targeted risk analyses, shifting the geographic region, focus, or sector, or otherwise amending projects and activities to lessen climate risk. Risks were identified over the next CDCS cycle (5 years), and in the life-of-project (up to 50 years in some cases), broadly categorized into social and political dimensions; food security and food prices; human health and women's welfare; economic growth and competitiveness; energy systems; and provision of ecosystem services, such as water and agrobiodiversity.

This analysis was updated in May 2018 by the USAID/Afghanistan Mission Environmental Officer with virtual support from USAID Washington/E3.

¹²⁴ Afghanistan Climate Change Risk Profile and Factsheet (April 2016), Available at: <https://www.climatelinks.org/resources/climate-change-risk-profile-afghanistan>. Accessed: July, 2018

¹²⁵ USAID, Greenhouse Gas Emissions in Afghanistan, May 2016. Available at: <https://www.climatelinks.org/resources/greenhouse-gas-emissions-fact-sheet-afghanistan>. Accessed: July, 2018

¹²⁶ USAID, Greenhouse Gas Emissions in Afghanistan, May 2016. Available at: <https://www.climatelinks.org/resources/greenhouse-gas-emissions-fact-sheet-afghanistan>. Accessed: July, 2018. Accessed: July, 2018

Development Objective or Sector	Risk rating of DO, IR or Sector	Integration into strategy (not required for low risk)	Next steps (not required for low risk)	Accepted risks (not required for low risk)
<p>DO1: Private sector driven and export led economic growth accelerated</p> <p>Sectors: Economic Growth, Education, Democracy and Governance, Agriculture, Infrastructure</p>	<p>Rating: Low to High</p> <p>IR1.1: International trade and connectivity increased (Economic Growth, Agriculture): LOW</p> <p>IR1.2: competitiveness of value chains increased (Agriculture): HIGH</p> <p>IR1.3: employment and skills of Afghans increased (Economic Growth, Education, Democracy and Governance, Agriculture, Infrastructure): MODERATE</p> <p>Timeframe: 1-25 Years</p> <p>Risks: <i>Agriculture:</i> Heat Stress to Livestock, Crop Failure, Flooding, Drought, Extreme Temperature Changes, Reduced Soil Fertility. <i>Infrastructure:</i> Reduced reservoir volume and hydroelectric potential. Water scarcity has transboundary implications. <i>Economic Growth:</i> Prolonged drought and an increase of crop pests due to changing weather patterns could affect trade in products such dried fruit and other agricultural products by impacting supply and quality of produce.</p> <p>Adaptive Capacity: Low</p>	<p>Incorporation of climate-smart agriculture (CSA) interventions into agriculture-related project designs and annual workplans to increase productivity and resilience.</p> <p>In Infrastructure: Possible development of contingency plans and training to address climate-related disruptions in transmission. Transboundary water sharing issues, technical assistance, capacity building, and work with multilateral and bilateral donors can be supported, as well as participation in transboundary EIAs as warranted. Climate risks considered at existing PAD level (PPWP, MAR) and include adaptation activities to build local capacity to reduce vulnerability. Resources have been allocated to training and outreach, development of guidance for country strategies, and partnership development.</p>	<p>Current programming under the OAG Consolidated PAD, Vibrant and Prosperous Agriculture Sector Developed (IR 1.2), includes a climate risk screening that was created in consultation with the A/CORs of 17 activities. In the implementation of its programs, OAG should be cognizant of, and seek to mitigate, potential impacts from climate change through incorporation of CSA interventions into project designs and annual workplans.</p> <p>For Infrastructure, further information on how climate change will impact drought prevalence, flood risk, and temperature increases, should be sought prior to the next PAD design, and incorporated into projects and activities. When applicable, Environmental Assessment under 22 CFR 216 can provide a framework for integrating climate risk management and other weather-related risks and change analysis into project design.</p>	<p>All risks are addressed</p>

Development Objective or Sector	Risk rating of DO, IR or Sector	Integration into strategy (not required for low risk)	Next steps (not required for low risk)	Accepted risks (not required for low risk)
<p>DO2: social gains advanced</p> <p>Sectors: Agriculture, Infrastructure, Health & Nutrition, Education, Gender, Democracy & Governance, Humanitarian Assistance (WASH)</p>	<p>Rating: Low to Moderate</p> <p>IR2.1: health outcomes improved (Health and Nutrition, Infrastructure, Humanitarian Assistance): LOW</p> <p>IR2.2: better educated Afghans (Education): LOW</p> <p>IR2.3: gender equality and female empowerment increased (Gender, Health and Nutrition, Agriculture, Democracy and Governance): MODERATE</p> <p>Risks: WASH: Diminishing groundwater aquifers, especially in urban areas. Reduced access to potable water. Increased pollutants in drinking water. Physical damage to municipal infrastructure, including landfills.</p> <p>Health: Increase in water-borne disease, reduced food security and nutrition intake, disruption of health care services and access, heat stress, decreased effectiveness of municipal and medical waste management, reduced potable water supply.</p> <p>Education: Floods, strong storms and other natural disasters can damage the physical structure of schools, causing classroom or school-wide closures. Classroom closures due to overheated school buildings.</p> <p>Gender: Women-owned businesses dependent upon natural resources and agricultural productivity (e.g., greenhouse and other horticultural produce) are at higher risk of failure during drought.</p> <p>Democracy & Governance: Drought can exacerbate underlying conflicts and reduce security. Flooding and forced migration into urban areas.</p>	<p>Health & Nutrition: Awareness raising through dissemination of information.</p> <p>Infrastructure: Possible development of contingency plans and training to address climate-related disruptions in transmission. Transboundary water sharing issues, technical assistance, capacity building, and work with multilateral and bilateral donors can be supported, as well as participation in transboundary EIAs as warranted. Climate risks considered at existing PAD level (PPWP, MAR) and include adaptation activities to build local capacity to reduce vulnerability. Resources have been allocated to training and outreach, development of guidance for country strategies, and partnership development.</p> <p>Agriculture: Incorporation of CSA interventions into project designs and annual workplans to increase productivity and resilience.</p>	<p>Health & Nutrition: There are no current plans to develop activities before expiration of the 2015-2020 PAD.</p> <p>WASH: Further information on how climate change will impact drought prevalence, flood risk, and temperature increases, should be sought prior to the next PAD design, and incorporated into projects and activities. When applicable, Environmental Assessment under 22 CFR 216 can provide a framework for integrating climate risk management and other weather-related risks and change analysis into project design.</p> <p>Infrastructure: further information on how climate change will impact drought prevalence, flood risk, and temperature increases, should be sought prior to the next PAD design, and incorporated into projects and activities. When applicable, Environmental Assessment under 22 CFR 216 can provide a framework for integrating climate risk management and other weather-related risks and change analysis into project design.</p> <p>Agriculture: Current programming under the OAG Consolidated PAD, Vibrant and Prosperous Agriculture Sector Developed (IR 1.2), includes a climate risk screening that was created in consultation with the A/CORs of 17 activities. In the implementation of its programs, OAG should be cognizant of, and seek to mitigate, potential impacts from climate change through incorporation of CSA interventions into project designs and annual workplans.</p>	<p>All risks are addressed</p>

Development Objective or Sector	Risk rating of DO, IR or Sector	Integration into strategy (not required for low risk)	Next steps (not required for low risk)	Accepted risks (not required for low risk)
	<p>Agriculture: Heat Stress to Livestock, Crop Failure, Flooding, Drought, Extreme Temperature Changes, Reduced Soil Fertility</p> <p>Adaptive Capacity: Low</p>			

Development Objective or Sector	Risk rating of DO, IR or Sector	Integration into strategy (not required for low risk)	Next steps (not required for low risk)	Accepted risks (not required for low risk)
<p>DO3: Government accountability to citizens increased</p> <p>Sectors: Democracy & Governance, Economic Growth, Humanitarian Assistance (non-WASH)</p>	<p>Rating: Low Timeframe: 5-20 Years</p> <p>IR3.1: citizen participation in decision making process increased (Democracy and Governance): LOW</p> <p>IR3.2: improved effectiveness of government functions (Democracy and Governance): LOW</p> <p>IR3.3: reduced vulnerability for corruption (Democracy and Governance, Economic Growth): LOW</p> <p>Risks: Democracy & Governance: Drought can exacerbate underlying conflicts and reduce security. Flooding and forced migration into urban areas.</p> <p>Economic Growth: Prolonged drought and an increase of crop pests due to changing weather patterns could affect trade in products such dried fruit and other agricultural products by impacting supply and quality of produce.</p> <p>Humanitarian Assistance (non-WASH): no risk as the activities (FEWSNET and UNHAS) are concerned with monitoring and air transportation.</p> <p>Adaptive Capacity: Low</p>	N/A	N/A	N/A

Greenhouse Gas Mitigation

Issue	Approach
<p><i>What are the major sources of GHG emissions (e.g., personal cars, power plants, landfills, industry, agriculture sector, deforestation, etc.)? How has the distribution and composition of the GHG emissions profile changed over time historically and how is the profile expected to change in the future considering the major emitting sectors and/or sources? How are the sectors and sources that contribute to GHG emissions contributing to the growth and development of the economy and to meeting development objectives? What climate change mitigation or low emissions development plans, targets, commitments, and priorities has the government (national, state and local) articulated?</i></p>	<p>Afghanistan is a Least Developed Country with very low per capita GHG emissions, an estimated population of 28.6 million (as of 2015) and a per capita GDP of USD \$660. In 1990, emissions were 0.2 metric tons CO₂ per capita, and 0.3 metric tons per capita in 2010, indicating its low economic growth rate¹²⁷.</p> <p>Afghanistan’s GHG profile is currently dominated by CO₂ emissions from agriculture, Land Use Land Use Change and Forestry (LULUCF), followed by the Energy the sector. Presently, agriculture accounts for 53 percent of emissions, largely in the form of methane from livestock.¹²⁸ LULUCF accounts for 33 percent of emissions, followed by energy production (13 percent), both primarily from CO₂. Afghanistan sources much of its own energy from hydropower (39 percent), and diesel generators (17 percent), while 32 percent of its energy is imported from neighboring countries. However, only 30 percent of Afghans have access to grid electricity, indicating that demand for energy will remain high and drive more energy development in the future.¹²⁹</p> <p>Despite its slow growth in the past, GHG emissions are likely to increase due to expectations of increased economic growth and investment in the country. By 2030, total emissions of all sectors combined are projected to increase by 212 percent, with the highest increase expected in Energy, followed by Agriculture, Industry, and LULUCF.¹³⁰ Based on these projections, Afghanistan’s GHG profile will change from a primarily LULUCF and Agriculturally-based emission profile, to one where the energy sector plays a more important role.</p> <p>The country’s Intended Nationally Determined Contribution (INDC) defines its conditional GHG mitigation target as 13.6 percent below a Business as Usual scenario by 2030. Afghanistan considers this a reasonable target if financial and other resources are made available to develop Low Emission Development Strategies (LEDS), and Highly Effective Adaptation and Development Strategies (HEADS), in order to successfully implement LEDS without compromising its socio-economic development goals.¹³¹ Afghanistan’s development objectives largely emphasize lifting its people out of poverty, while increasing resilience from climate-based threats, of which Afghanistan is considered especially vulnerable.¹³²</p> <p>Achieving climate resilience and socioeconomic growth cannot be decoupled, in Afghanistan’s case. For example, while there is potential for hydropower to be expanded and current installations improved, changing precipitation patterns and an increase in mean annual temperature could decrease the capacity and electric output of new and existing hydropower.¹³³ Additionally, Afghanistan’s rainfall is expected to decrease in regions with the highest agricultural productivity—the East, North, and Central Highlands, and in general more frequent drought are expected in all regions.¹³⁴ Afghanistan’s INDC summarizes the potential relationship between climate change and the social fabric of the country: “...climate-induced risks and challenges can enhance social inequalities, poverty, and food insecurity causing considerable and fundamental threats to human life, livelihoods, property, political stability, the economy, and the environment in Afghanistan.”</p> <p>Afghanistan’s INDC is supported by a number of complementary national policies, regulations, and programs that address climate change. Afghanistan’s National Development Strategy (ANDS), based on the Millennium Development Goals (MDGs), defines the environment as, “...a cross-cutting issue that underpins the entire social and economic development framework for the country.” Institutionally, the National Environmental Protection Agency (NEPA) convened and led the process of submitting Afghanistan’s INDC in 2015, and continues to advocate for ongoing policy development in climate change mitigation and adaptation on the national level and with international development partners.</p>

¹²⁷ The World Bank, CO₂ Emissions (Metric Tons Per Capita). <http://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

¹²⁸ Agricultural emissions are calculated as CO₂ equivalent; CH₄ from livestock makes up the bulk of this emissions source.

¹²⁹ <http://www.worldbank.org/en/country/afghanistan/overview> Updated Apr 11, 2017

¹³⁰ Afghanistan Intended Nationally Determined Contribution Submission to the United Nations Framework Convention on Climate Change - 21 September 2015

¹³¹ The World Bank, CO₂ Emissions (Metric Tons Per Capita). <http://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

¹³² DARA Climate Vulnerability Monitor (2012); GermanWatch Global Climate Risk Index (2013); and Notre Dame Global Adaptation Index (2014).

¹³³ Afghanistan Climate Change Strategy, 2014

¹³⁴ USAID FAA 119 Afghanistan Biodiversity Plus Assessment, 2017

Issue	Approach
<p><i>What opportunities exist to reduce emissions in each DO, IR, or sector?</i></p> <p><i>What opportunities exist to reduce emissions associated with USAID activities?</i></p>	<p>While Afghanistan has low per capita GHG emissions, economic growth is likely to strengthen over the coming years and increase emissions of GHGs. Afghanistan’s INDC (2015) identifies several sectors where GHG mitigation measures can be focused, provided that the necessary financial and technical support is provided by the international community. A variety of approaches that result in mitigation can be pursued for each sector.</p> <p>Energy and Infrastructure: Current USAID Office of Infrastructure activities to improve transmission and distribution of large-scale grid electricity sourced from hydropower may reduce reliance on diesel fuel generators and burning of solid fuels, possibly decreasing emissions, while reducing atmospheric black carbon and improving air quality. Greater generation capacity from hydropower, solar, and wind could reduce the appeal to work extract Afghanistan’s coal deposits. Other opportunities for reducing emissions in the energy may include:</p> <ul style="list-style-type: none"> § Improve institutional capacity for adoption of clean technologies § Expand capital markets that encourage investment in efficient, decentralized energy systems § Clarify and streamline regulatory policies, information systems, and intellectual property rights for mitigation technologies § Promote renewable energy, entry cost support, access to capital, and subsidies § Improve environmental compliance standards for carbon emissions and indoor air quality standards <p>Forest and Rangeland: Conversion of forest and grassland to permanent cropland or pasture accounts for almost all of Afghanistan’s LUCF emissions. While releasing significant amounts of CO₂ into the atmosphere, the loss of ecosystem functions as a result of land conversion also reduces community resilience to drought, and can aggravate soil and wind erosion. Other opportunities for reducing emissions in this sector may include:</p> <ul style="list-style-type: none"> § Promote sustainable forest management and carbon sequestration on forests and rangelands § Improve institutional capacity to monitor and verify forest carbon projects § Advance better spatial planning for communities and production agriculture § Reduce rural peoples’ dependence on solid fuels for cooking and heating § Formalize Land Use Land Cover standards for future spatial mapping efforts <p>Agriculture and Livestock: Agriculture accounts for 31 percent of Afghanistan’s GDP, and employs 59 percent of its labor force.¹³⁵ Livestock contribute more than 50 percent of Afghanistan’s agricultural GDP,¹³⁶ and most of its non-CO₂ GHG emissions. Opportunities for reducing emissions in this sector may include:</p> <ul style="list-style-type: none"> § Promotion of Climate Smart Agriculture, agroforestry, and methods to preserve and build soil carbon § Reduction in fuel use for herding/livestock management, and promotion of clean fuel technologies § South-south collaboration on low-carbon agriculture § Funding for research and development activities § Improved national datasets on agriculture and food security data

¹³⁵ The World Bank Group in Afghanistan: Country Update. (October 2016; issue no. 49). Washington, D.C. World Bank Group. <http://documents.worldbank.org/curated/en/933571475754352955/The-World-Bank-Group-in-Afghanistan-country-update>

¹³⁶ USAID, Greenhouse Gas Emissions in Afghanistan, May 2016, <https://www.climatelinks.org/resources/greenhouse-gas-emissions-fact-sheet-afghanistan>

Issue	Approach
<p><i>Does the strategy incorporate ways to reduce GHG? Reference the page number in the strategy. Note in particular if a Goal, the DO, or an IR or sub-IR specifically incorporates mitigation.</i></p>	<p>Promotion of solar energy, completion of the NEPS-SEPS power transmission network, road maintenance improvement and watershed management will help reduce GHG emissions:</p> <p>DO1: Private Sector-Driven and Export-Led Economic Growth Accelerated</p> <p>Sub-IR 1.2.3: Restoration of watersheds in the Strengthening Watershed and Irrigation Management (SWIM) activity will increase vegetation cover that will lead to increased carbon sequestration and reduce GHG emissions. Improved fodder and animal manure management will reduce greenhouse gases from livestock.</p> <p>Sub-IR 1.2.4: Transportation and energy services improved: The projects will provide indigenously-generated power, improved distribution systems, and greater access to reliable power at an affordable cost to accelerate sustainable economic growth and further the country's self-reliance. Improved transmission of electricity and solar power generation will also strengthen Afghanistan's climate resilience and reduce emissions of greenhouse gases</p>
<p><i>What are the next steps at the PAD and/or mechanism levels to reduce greenhouse gases?</i></p>	<p>As the Afghan economy is expected to grow and energy needs will increase, the Mission will continue to focus efforts in achieving greater efficiencies in the energy sector particularly promoting solar power for industrial parks, clinics and schools.</p>

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