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**AFGHANISTAN**

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# FACT SHEET

## Economic Growth and Governance Initiative (EGGI)

### OVERVIEW

Since 2009, the Economic Growth and Governance Initiative (EGGI) project has delivered technical assistance to strengthen the Afghan Government's capacity to develop and implement economic and regulatory policy and improve the private sector enabling environment. The project supports cabinet-level economic decision-making and market reforms, budgetary reforms, tax administration and policy, and economic strategies and investment decisions in key economic corridors. Current EGGI support to the Ministry of Finance (MoF) enhances public financial management and implements key reforms that will help Afghanistan to move closer toward fiscal sustainability. Since 2009, EGGI activities have targeted private sector reforms to generate jobs, investment, and broad-based private sector-led economic growth.

### ACTIVITIES

- **Revenue and Tax Policy:** Support the Afghan Government as it develops and implements non-tax revenue reforms to improve revenue collection efficiency and reduce economic distortions. Support the Afghanistan Revenue Department (ARD) to meet International Monetary Fund (IMF) benchmarks and prepare for Value-Added Tax (VAT) implementation.
- **Program Budgeting:** Support 38 budgetary units to develop program budgets and build skills in budget execution, performance monitoring and reporting, operations and maintenance estimates, project planning and design, and procurement and financial planning.
- **Provincial Budgeting:** Assist the MoF to roll-out a budgetary reform program to enhance provincial inputs for the national budget and improve budget coordination at the sub-national level through regional training events and technical assistance to provincial line directorates.
- **Provincial Tax Administration:** Support Large, Medium, and Small Taxpayer Office operations in Herat, Mazar, Jalalabad, Kandahar, and Kabul to improve revenue collection and fiscal sustainability.
- **Revenue Reconciliation Database:** Work with the ARD to remediate current revenue system issues in priority provinces of Kandahar, Nangarhar, Balkh, Nimroz, Herat, and Kunduz.
- **Women in Government Internship Program:** Strengthen and expand economic and professional opportunities for women through a comprehensive job readiness program that provides work experience (internships) in the Afghan Government, formal capacity and skills-building training, coaching, mentoring, and assistance with full-time job placement.

### ACCOMPLISHMENTS

- Facilitated the implementation of driver's license practical exam fees, which could result in increase revenue collection of 10-15 Afghanis (AFN) annually for the Kabul Traffic Department.
- Supported the MoF with tax, finance, and debt-related decision making and reporting.
- Supported 20 key budgetary units as they prepared and delivered briefings on FY1391 and FY1392 program budgets and completed and submitted their annual budgets to the Budget Committee.
- Supported MoF's roll-out of a comprehensive provincial budgeting training program in all 34 provinces, enabling 88 percent of provincial directorates to complete first-round budget submissions and 98 percent to complete second-round forms on time.
- Supported development of Medium Tax Offices in Herat, Mazar, Jalalabad, and Kandahar which enabled these provinces to surpass FY1390 revenue collection targets ahead of schedule, as well as remain on course to meet FY1391 targets. Improved tax return filing compliance by an average of 20 percent.
- Graduated 162 interns from the Women in Government program, and helped 81 percent (126) of participants find full-time jobs.