



USAID
FROM THE AMERICAN PEOPLE

AFGHANISTAN



USAID and Afghan Government's commitment to economic growth has:

- established 125 business associations and Chambers of Commerce and Industry – including 27 owned by women – in urban centers such as Herat, Jalalabad, Kandahar, Kunduz and Mazar-i Sharif;
- facilitated marble exports exceeding \$24 million annually; and
- helped more than 2,700 Afghan enterprises obtain over \$32 million in loans.

Photo credit: USAID/Afghanistan

Economic Growth

Three decades of conflict devastated Afghanistan's economy and drove more than 2.5 million Afghans away from their homes and livelihoods. Since that time, the Afghan economy has grown dramatically, with Gross Domestic Product rising to more than \$20 billion— five times higher than in 2002.

OUR WORK

Afghanistan continues to face economic hurdles, as it remains one of the world's poorest countries. Insecurity and corruption threaten efforts to establish an inclusive, growing, and self-sustaining economy that attracts investment, promotes trade and creates jobs. USAID is committed to continued Afghan economic growth by providing access to credit, facilitating business expansion and job creation, increasing market access, encouraging regional trade and integration, and promoting legal and regulatory reforms that attract new domestic and international investment.

PRIVATE SECTOR DEVELOPMENT

USAID helps micro, small, and medium-sized businesses receive loans, connect to new markets, and learn new skills. USAID is working to increase job placements and wages for 25,000 Afghans, 25 percent of whom will be women, through increased access to quality technical and business education and training, job placement support services, and by facilitating access to credit and business development opportunities. By working to reduce compliance costs for businesses and promote private-sector enabling legislation, USAID works to improve the business climate and transparency to make Afghanistan more attractive to domestic and international investors.

Since 2009, USAID has strengthened Afghanistan's private sector with management training, market information assistance, and public-private alliance grants. USAID has worked with the Afghan government to launch 88 public-private partnerships, leveraging more than \$130 million from private-sector partners in construction, food processing, consumer goods manufacturing, insurance, natural-resource extraction, apparel, communications/media, and

information technology. USAID interventions have generated more than \$354 million in sales and services for farmers and agribusinesses through improved value chains and productivity.

Since 2011, USAID-facilitated loans to individuals and businesses have created or sustained more than 100,000 jobs. USAID is providing critical financing for Afghan businesses through credit guarantees. USAID is also supporting the development of mobile money as an innovative way to expand access to digital finance and reduce corruption through secure technology.

ECONOMIC GOVERNANCE AND TRADE

USAID has worked with the Afghan government, private sector, and international partners to implement laws and policies to support trade, increase exports, promote transparency, and reduce trade barriers. USAID helped the Afghan government negotiate the Afghanistan-Pakistan Trade and Transit Agreement and supports its implementation as well as Afghanistan's ongoing efforts to join the World Trade Organization. Since USAID began providing technical assistance for customs reform in 2009, average times for goods crossing Afghanistan's borders have decreased from several days to just a few hours. Through improved processing and marketing, USAID has facilitated agriculture export sales of fresh and dried fruit, nuts, and cashmere worth over \$54 million to India, Pakistan, the United Arab Emirates, the United Kingdom and other countries.

Afghanistan's rich natural resources could accelerate economic growth and provide an important source of government revenue. USAID is helping to build the technical, regulatory, and governance capacities of the Ministry of Mines and Petroleum, private sector, and community partners to responsibly develop the mining sector.

USAID has provided technical and financial support to build the capacity of the Afghan Ministry of Communication and Information Technology and to support the growth of the telecommunications sector in Afghanistan, which has grown to a \$1.81 billion per year industry employing more than 135,000 people. USAID continues to promote critical legal and regulatory reforms to enhance the sector's growth.

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Honey Processing facility. Photo credit: USAID/Afghanistan



Sorting grapes for sale. Photo credit: USAID/Afghanistan