INVESTMENT CLIMATE REFORM PROGRAM

MARCH 2015 – MARCH 2019

$13.3 MILLION

OVERVIEW

USAID’s Investment Climate Reform program supports the Afghan government’s efforts to improve Afghanistan’s investment climate by implementing business-enabling reforms that will make the country economically competitive, both regionally and globally. The program supports a number of reforms, such as special industrial licensing, construction permitting, and other areas associated with the World Bank’s (WB) “Doing Business” indicators in Afghanistan.

USAID’s Investment Climate Reform program complements and builds upon a $2.5 million existing USAID-funded activity launched in 2011 that supports construction permitting reform in Kabul Municipality and other regulatory reforms within the context of WB’s “Doing Business” indicators.
**ACTIVITIES**

- Conduct a subnational “Doing Business” study on commercial regulations in Kabul, Herat, Jalalabad, Kandahar and Mazar-i-Sharif from the perspective of small-to medium-size domestic enterprises.
- Recommend, based on the aforementioned study, to the central and local government authorities on improving public processes in four regulatory areas: starting a business, dealing with construction permits, getting electricity, and registering property.
- Assess the business registration and trade licensing administration processes of the Directorate General of the Afghanistan Central Business Registry & Intellectual Property in order to streamline the processes and make those more efficient.
- Develop an automated system for construction permits and train municipal staff on how to manage the system.
- Introduce an improved system of construction permitting, including an automated system in four provincial areas, Herat, Jalalabad, Kandahar and Mazar-i-Sharif.
- Establish a one-stop shop with the Kabul Municipality to ensure building regulations are fully implemented and help resolve potential disputes.

**ACCOMPLISHMENTS**

- Facilitated introduction of a new fee schedule by the Afghan Investment Support Agency for small- and medium-sized enterprises to help them better forecast and manage their budgets.
- Supported implementation of an electronic collateral registry to enable entrepreneurs and small business owners to leverage assets and access credit.
- Facilitated approval of a legal and regulatory framework for building regulations by Kabul Municipality.

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