



**2020 AFGHANISTAN CONFERENCE**  
**Virtual Side Event: Economic Priorities and Aid Effectiveness**  
**23 November, 2020, 16:00-18:00 (UTC+1, Geneva)**  
**CONCEPT NOTE**

**Program**

**Topic of Discussion:** *What are Afghanistan's economic priorities and how can effective aid planning and partnership move Afghanistan away from donor dependence and towards greater self-reliance through the incorporation of private sector-led economic growth, trade, and regional connectivity into development plans for 2020-24?*

This side event is intended to broaden the discussion beyond donor/partner funding flows to a more inclusive discussion of economic development investment that integrates all stakeholders in economic development, for growth through investment.

**Moderator:** TBC

**Keynote Speakers**

1. USA
2. Afghan Ministry of Finance

**Panelists**

1. UNDP
2. World Bank
3. European Union
4. Da Afghanistan Bank
5. Afghan Women's Chamber of Commerce
6. Aga Khan Development Network

**First Responders**

1. Asian Development Bank
2. JICA
3. International Finance Corporation
4. International Chamber of Commerce - Afghanistan
5. Development Finance Corporation

**Draft Agenda**

- Moderator Opening Remarks & Panelist Introduction (5 min)
- Keynote Addresses (10 mins)
- 3 - 5 min Remarks from each Panelist (45 min)
- Moderator-led/prompted Discussion (30 min)



- Audience Q&A (30 min)

## **Background**

In alignment with the hosts' intention to have three side events conceptually linked to the three pillars of Afghanistan's development architecture principles: peace-building, state-building and market-building, the co-organizers propose hosting a side event that addresses economic priorities supported by effective aid with a strong pivot toward the market-building priority of the development strategy that would be consistent with enabling private-sector led growth, as well as attracting domestic and foreign private sector investment into the Afghan economy.

Aid is most effective when development planning and interventions are: inclusive; locally driven; harmonized; align with country priorities; catalyze host country human capital, innovation and entrepreneurship; and create an inclusive path toward socially and environmentally sustainable economic development to achieve a country's SDGs and build self reliance and resilience.

The Afghan government, international donor partners, and the private sector must cooperate and collaborate transparently and be accountable to each other and, most importantly, to the Afghan people if an environment for inclusive and sustainable growth is to be created and maintained.

Furthermore, enhancing regional connectivity, engaging regional partners on trade and maximizing efforts to implement and expand existing agreements that will ease barriers to trade must be prioritized if Afghanistan is to achieve self-reliance through export-led growth.

## **Objectives**

The co-organizers (USA, MoF and UNDP) will seek to facilitate a productive discussion that pursues the following:

- Firmly links economic growth priorities and private sector-led growth to a broader framework for effective aid that facilitates Afghanistan's achievement of self-reliance through coordinated and phased investment by the international donor community, the Afghan and international private sector and the Afghan government.
- Underscores the mutually beneficial opportunity--with a new ANPDF II, peace talks underway and Afghanistan's emergence from the initial and secondary impacts of COVID-19--for GoIRA to create the policy and legal regulatory environment, social services infrastructure and national ethos to closely partner with and support the private sector to leverage additional finance and expertise, and help build inclusive markets and efficient industry value chains across key sectors.
- Encourages a call to action. Recognizing recent efforts for private sector partnerships, there is still a need to significantly ramp up and operationalize a more progressive business enabling environment that empowers the private sector to help drive development outcomes. Afghanistan's vast natural resources and its renewal as a regional trading power (the trade hub of Asia) coupled with the availability of international investment, technical expertise and the adoption of appropriate technologies, will enable the country to leapfrog decades in its developmental progress.



- Provide a platform for candid discussions on evolving performance in aid effectiveness by broadening the partnership and increasing transparency in planning, implementation and reporting, especially financial reporting, of on and off budget development interventions with the aim of reducing duplication and fragmentation.

### **Key Expected Themes**

- Outline future economic priorities and vision for achieving inclusive and sustainable economic growth.
- Consider what drives private sector investment decisions and how these adopt or influence national development planning. What is the biggest single opportunity driving Afghanistan's economic growth and how can both the GoIRA and the private sector work together to seize that opportunity?
- Consider how private sector investment decisions can form part of a connected portfolio that engages multiple levers of change so as to achieve maximal coordinated development impact that reflects on SDG progress.
- Review key sectors for growth identified and prioritized in the ANPDF II, the PFFP, etc. How do these match envisioned private sector investment trends?
- Identification of key business operational constraints and private sector views of investment opportunities and barriers (including for women).
- Investment in regional connectivity, and regional spill-over effects from improved security and peace.
- Review the extent to which non-conventional partnerships can be leveraged in the investment and development landscape to provide additional opportunities for expanded regional coordination or private sector investment that enhances existing aid effectiveness and boosts sustainable economic growth.