

Discussions Highlights

Joint Roundtable: Potentials & Capacity of the Private Sector for Partnership in the Provision of Humanitarian & Essential Services in Afghanistan

The International Conference Center Geneva (CICG)

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Joint Roundtable: Potentials & Capacity of the Private Sector for Partnership in the Provision of Humanitarian & Essential Services in Afghanistan
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Summary of Discussions and Recommendation

Geneva, Switzerland - Following the recommendations of the previous two rounds of CDPG's National Dialogue Conferences, (Geneva 2022, Antalya 2023), on Tuesday, February 6, 2024, economic experts, policymakers, representatives of the private sector from Afghanistan and members of the Afghanistan Chamber of Commerce and Investment (ACCI), prominent business leader's active outside of Afghanistan, and diplomats from the countries of the region gathered in Geneva to participate at a pioneer discussion addressing Afghanistan's economic, finance and trade challenges. Divided into four sessions, the conference delved into the complex dynamics of Afghanistan's economic landscape, the potentials for partnership of the private sector in humanitarian aid and services delivery, the opportunities and risks facing women-led enterprises, and strategies for fostering sustainable investment and economic growth.

Economic Landscape and Efforts

Discussants: Dr. Mustafa Mastoor, Mr. M. Yunas Mohmand, Dr. Sarajuddin Isar, & Dr. Lutfi Rahman Rahimi.

The panelists highlighted the grim reality of Afghanistan's economic situation, marked by a staggering contraction of 30% in Afghanistan GDP since August 15th 2021, trade deficit, budget deficit and damaging deflation (negative inflation) rates on the already weak economy. Contrary to undertaking urgent expansionary economic policies to combat recessionary pressure, the de-facto Taliban authorities are increasing the tax and levies burden, amounting to extortion, and destroying the economy in the mid to long term. Participants sounded alarm about unprecedented poverty, unemployment rates, income disparities, and over-reliance on minerals extraction and foreign aid, with low to no transparency in spendings both on the part of the Taliban and the International agencies. They also criticized the UN agencies recruitment policies favoring internationals to hiring Afghans, leading to costly assistance provision, increased unemployment among youth and brain drains.

Recommendation: increasing transparency, reducing tax burden to stimulate growth, enhancing access to finance, removing withdrawal limits, and fostering an environment conducive to business operations. Moreover, the panelists stressed on the importance of immediate supportive measures such as direct cash transfers over the in-kind assistance to families, that will promote local spending and the Afghan private sector.

Private Sector's Vital Role in Humanitarian Aid and Regional Trade

Discussants: Mr. Ismail Ghazanfar, Mr. Zabihullah Ziarmal, Mr. Muzammil Shinwari & Mr. Bilal Ibrahimi.

Panelists noted that the collapse of the republic inflicted immense shocks on the economy, and led to loss of capital, business-closures and brain drain, with SMEs taking the major hit. They

highlighted the indispensable role of the private sector in facilitating humanitarian aid, essential services, and trade. They further emphasized on the need for political stability, robust regulatory frameworks, and international partnerships to bolster private sector engagement.

Recommendations: fostering regional cooperation beyond politics, creating tax incentives, and investing in infrastructure to enhance regional trade opportunities. Additionally, the panel called on Aid agencies to source more products and services locally, while highlighting the need for education on sanctions to overcome the challenges of overcompliance, potentials of leveraging technology, such as blockchain, to streamline financial transactions and promote inclusive economic growth.

Empowering Women and Women-Led Enterprises

Discussants: Ms. Kamila Sidiqi, Ms. Nabila Musleh, Ms. Marzia Panahi, and Ms. Frishta Kargar.

A most significant focus of the conference was on the empowerment of women and women-led enterprises in Afghanistan. Speakers shed light on the myriad challenges faced by women entrepreneurs, including limited access to finance, imposed restrictions and barriers, and societal constraints. The panelists stressed the importance of creating supportive ecosystems through mentorship, networking, and capacity-building initiatives.

Recommendations:

Establishing supportive networks, cash transfers, microfinancing, and promoting local products to enhance financial independence. Moreover, there was a loud call on the international community and financial institutions to support the bankrupt women-led businesses to adjust with the new realities and market requirements, and on the de facto Taliban authorities to dismantle systematic barriers hindering women's full participation in economic activities and humanitarian initiatives.

Private Sector Abroad, Investment, and Sustainable Economic Progress

Discussants: Mr. Rahimullah Shahsawar, Mr. Yiannis Kostis, Mr. M. Mansoor Majid.

In the final session, panelists from the private sector emphasized the need for strategic investment in Afghanistan's economy, particularly in small businesses and rural areas. The panelists advocated for a paradigm shift from reliance on humanitarian aid to sustainable economic development, with a focus on empowering grassroots entrepreneurs to address local market demands as well as value-addition initiatives to products with comparative advantage in external markets.

Recommendations: providing accessible funding for village entrepreneurs, incentivizing investment in key sectors, and fostering an enabling environment for economic growth. Moreover, there was a consensus on the importance of promoting inclusive investment strategies that prioritize the needs of marginalized communities and vulnerable populations.

Conclusion

Participants collectively agreed that the Joint Roundtable on Capacity and Role of the Private Sector in the Provision of Humanitarian and Essential Services in Afghanistan to serve as a catalyst platform for focused constructive dialogue and collaboration towards economic resilience and

women's empowerment. As Afghanistan navigates through challenging times, the insights and recommendations gleaned from this conference to be laid in a roadmap for immediate to long-term interventions reducing the cost of aid delivery, fostering economic recovery, countering poverty, and enhancing humanitarian aid impact on beneficiaries through engaging the private sector. The insights and recommendations from the Roundtable will feed into the discussions at the upcoming National Dialogue Conference organized by the Center for Dialogue and Progress - Geneva in March 2024 in Antalya.

A detailed account of the discussions shall be made public shortly.

For further inquiries or to request interviews with panelists, please contact us at info@cdpg.ch

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