



Harakat

# OVERVIEW OF HARAKAT

- Harakat – Afghanistan Investment Climate Facility is an independent, not-for-profit, Afghan-managed organisation that aims to improve Afghanistan's business environment.
- Established by DFID initiative in mid 2008 with seven year life span until 2015 – one year interim management – management fully handed over in June 2009 to the Afghan permanent team
- We provide grant funds to the private sector, government and civil society to implement activities to reduce or remove barriers that currently make it difficult to do business in Afghanistan.
- Set up as facility to be funded by donor and private sector investors – currently only DFID (£30 million)

# PRIORITY AREAS



1. Financial markets that provide greater **access to finance** and affordable credit to all sizes of businesses, especially SMEs.
2. Streamlined and more effective **regulations** and creation of regulatory impact assessment systems.
3. Increased private sector investment in **infrastructure**, especially energy, water, agriculture and transportation.
4. More equitable and efficient **taxation and customs** systems.
5. Strengthened **property rights** and more effective **contract enforcement**.
6. Higher workforce productivity and mobility and improved **labour market** regulation.
7. Strengthened **competition** policy that reduces anti-competitive practices.
8. Improved capacity of government and institutions to tackle **corruption**.

# HARAKAT RESULTS LOGIC:

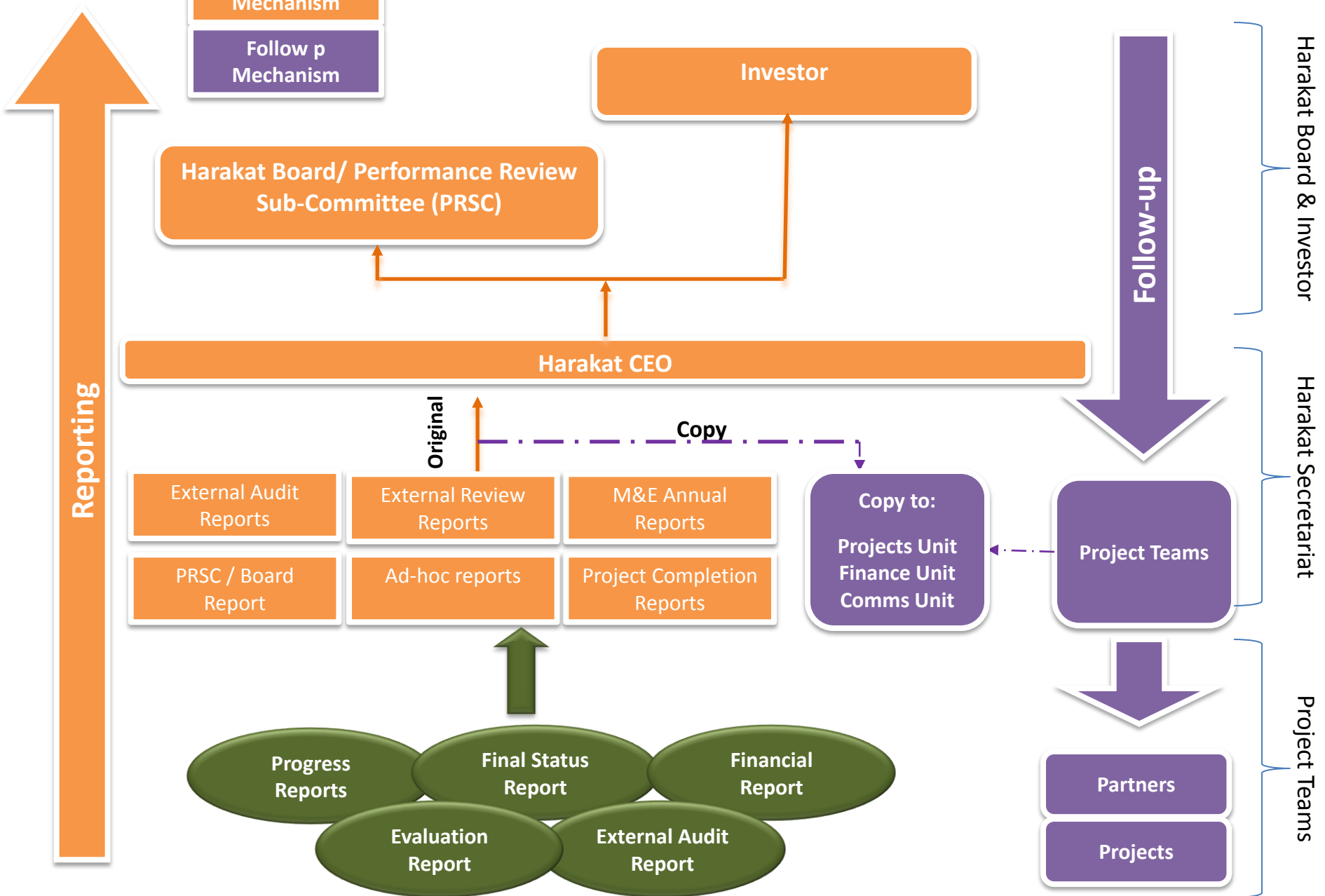
<b>Goal</b>				What is the project contributing towards?	<div> <div></div> <div></div> </div> Focused by evaluation and Research
<b>Overall Purpose</b>					
<b>Program Outcomes</b>					
<b>Program Outputs</b>					
<b>Project outputs</b>		Will it result in increased capacities of public & private sector and/or enactment/ implantation of business regulations?	What are the business barriers addressed by the project in 8 priority areas of Harakat that the project could be reasonably hold responsible for?	How will it improves the investment climate in Afghanistan?	<div> <div></div> <div></div> </div> Focused by Monitoring function
<b>Project activities</b>	How project inputs will be processed to produce deliverables?				



## Harakat- AICFO M&E responsibilities

Project Stages	M&E responsibilities	Instruments & mechanisms used
<b>Design</b>	<ul style="list-style-type: none"> <li>- Identify measurable results</li> <li>- Develop baseline</li> <li>- Develop Results frameworks</li> <li>- Identify performance indicators</li> <li>- Develop project reporting mechanism</li> <li>- Support the project review process by the board</li> </ul>	<ul style="list-style-type: none"> <li>- Project documents</li> <li>- Internal Reviews</li> <li>- Projects assessment reports</li> <li>- Project reviews by the Harakat board</li> </ul>
		
<b>Implementation</b>	<ul style="list-style-type: none"> <li>- Conduct regular reviews and assessments of the Harakat funded project.</li> <li>- Facilitate external reviews and financial audits</li> <li>- Review project progress reports and provide feed back</li> <li>- Prepare regular reports for the Harakat management highlight key M&amp;E findings</li> <li>- Initiate follow-ups on key findings and recommendations</li> <li>- Guide for the release of project funds</li> </ul>	<ul style="list-style-type: none"> <li>- Project Progress Reports</li> <li>- Project meetings, reviews and site visits</li> <li>- External Evaluations and performance reviews</li> <li>- External Audits</li> <li>- Project steering committees/board meetings</li> </ul>
		
<b>Completion</b>	<ul style="list-style-type: none"> <li>- Verify project completion reports.</li> <li>- Guide the Harakat management for potential follow-on activities</li> <li>- Plan for post project activities</li> </ul>	<ul style="list-style-type: none"> <li>- Project completion reports</li> <li>- M&amp;E end of project status reports</li> <li>- Evaluation plan</li> </ul>
		
<b>Post Completion</b>	<ul style="list-style-type: none"> <li>- Facilitate impact evaluations</li> <li>- Follow-up on sustainability issues</li> <li>- Participate in the project review process for the upcoming phases if needed</li> </ul>	<ul style="list-style-type: none"> <li>- Projects impacts evaluation</li> <li>- Harakat board review meetings</li> </ul>

# M&E Reporting and follow-up





# Progress: How Harakat is making difference?

Priority Themes	Targeted Objective Areas	Contribution to Investment Climate	Progress to date
<b>Access to Finance</b>	<ul style="list-style-type: none"> <li>• Improve legal and regulatory frameworks</li> <li>• Enable information sharing in the financial market</li> <li>• Increase capacities to deliver financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Increased access to credit, particularly for SMEs</li> <li>• Reduce credit related risk</li> <li>• More efficient financial services</li> </ul>	<ul style="list-style-type: none"> <li>• Law on secured transactions and regulations on collateral registry have been enacted, which contributed to an increase in Afghanistan's ranking on financial legal rights from 1 to 6 out of 10</li> <li>• Regulation on credit reporting has been enacted</li> <li>• Established School of Accounting</li> <li>• 1,185 individuals from banks and MFIs trained</li> </ul>
<b>Streamlined Regulations</b>	<ul style="list-style-type: none"> <li>• Simplify processes and procedures</li> <li>• Increased capacities of the government to develop/review and implement laws and regulations</li> <li>• Facilitate private sector inputs in development and review of relevant laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces costs for private sector and increases regulatory compliance</li> <li>• Formalizes economy by increasing the number of businesses formally registered and licensed (with important benefits to government &amp; civil society)</li> <li>• Encourage new business startups</li> </ul>	<ul style="list-style-type: none"> <li>• Reforming/streamlining the six trade licenses under MoCI in progress</li> <li>• Assessment of the process of issuing construction permits is completed</li> <li>• Arazi – is established with required capacities and process and procedures</li> <li>• Commercial laws awareness programs for 220 ACCI members followed by a round table is completed</li> <li>• Re-activated PSCSEC</li> <li>• Institutionalizing the Economic Journalist (EJAA) in progress</li> </ul>

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Priority Themes	Targeted Objective Areas	Contribution to Investment Climate	Progress to date
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Facilitate private sector investment in infrastructure, energy, water, and agriculture via PPP establishment</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment in better infrastructure</li> <li>Improved Public-Private partnerships in the infrastructure sector</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>
<b>Taxation &amp; Customs</b>	<ul style="list-style-type: none"> <li>Simplify processes</li> </ul>	<ul style="list-style-type: none"> <li>Formalizes economy</li> <li>Greater compliance</li> <li>Reduce costs and delays</li> <li>Increase transparency</li> </ul>	<ul style="list-style-type: none"> <li>The assessment of the mall Tax Payers Office (STO) is completed</li> <li>The design of the STO reform agenda is in progress</li> </ul>
<b>Property rights and contract enforcement</b>	<ul style="list-style-type: none"> <li>Streamline the property registration process</li> <li>Increase the proportion of formal property registration</li> <li>Institutionalize commercial mediation</li> </ul>	<ul style="list-style-type: none"> <li>Improves security of tenure for investors</li> <li>Increases access to finance for SMEs</li> <li>Reduces time and cost for resolving commercial disputes and contract enforcement.</li> </ul>	<ul style="list-style-type: none"> <li>Computerized 840,829 land title deeds and more than 25000 mortgage deeds.</li> <li>Time to access to land title deeds is reduced by 70%</li> <li>Reduced time for registering property by 50%</li> <li>Gradual increase from 10% to 20% in property related loans over the years 2007 till 2010.</li> <li>Establishment of Alternative Dispute Resolution (ADR) for Afghanistan is in progress.</li> </ul>



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Priority Themes	Targeted Objective Areas	Contribution to Investment Climate	Progress to date
<b>Labor market regulation</b>	<ul style="list-style-type: none"> <li>• Equip different sectors with qualified professionals to produce effective and efficient services</li> <li>• Secure labor rights by improving and enforcing labor market regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces cost and time for doing business by accessing locally available professionals</li> <li>• Private sector delivers better quality goods and services</li> <li>• Better working conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Established School of Accounting</li> <li>• 1,185 individuals from banks and MFIs trained</li> </ul>
<b>Strengthened competition policy</b>	<ul style="list-style-type: none"> <li>• Reduce anti-competitive practices</li> <li>• Improve quality standards</li> </ul>	<ul style="list-style-type: none"> <li>• Establishes equitable opportunities for doing business in Afghanistan</li> <li>• Improves quality of goods and services, and reduces prices</li> <li>• Increases market trust</li> </ul>	<ul style="list-style-type: none"> <li>• 14 National technical committees are established</li> <li>• 79 product standards are drafted/ 51 standards are approved by the Supreme Council of Standards (SCS)</li> <li>• Development of the Afghanistan National Building Codes is in progress</li> <li>• The review of consumer protection policy is in progress.</li> <li>• The development of competition policy is being finalized</li> </ul>
<b>Tackling corruption</b>	<ul style="list-style-type: none"> <li>• Equip government with human and institutional capacities</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces business costs</li> <li>• Builds trust between government and the public</li> </ul>	<ul style="list-style-type: none"> <li>• Extractive Industries Transparency Initiative is established.</li> </ul>

# Challenges around measuring for results:

## 1) To measure results:

- Lack of sufficient data
- Difficult to Measuring Harakat specific results
- Linking program level results to project level

## 2) To achieve results

- Limited implementation capacities – In ability of qualified firms to work in Afghanistan.
- Lack of commitment to implement reform agenda
- Delays in project implementation/ time limitations

## 3) To sustain results

- Lack of coherence approach from donor community and the government to sustain results