

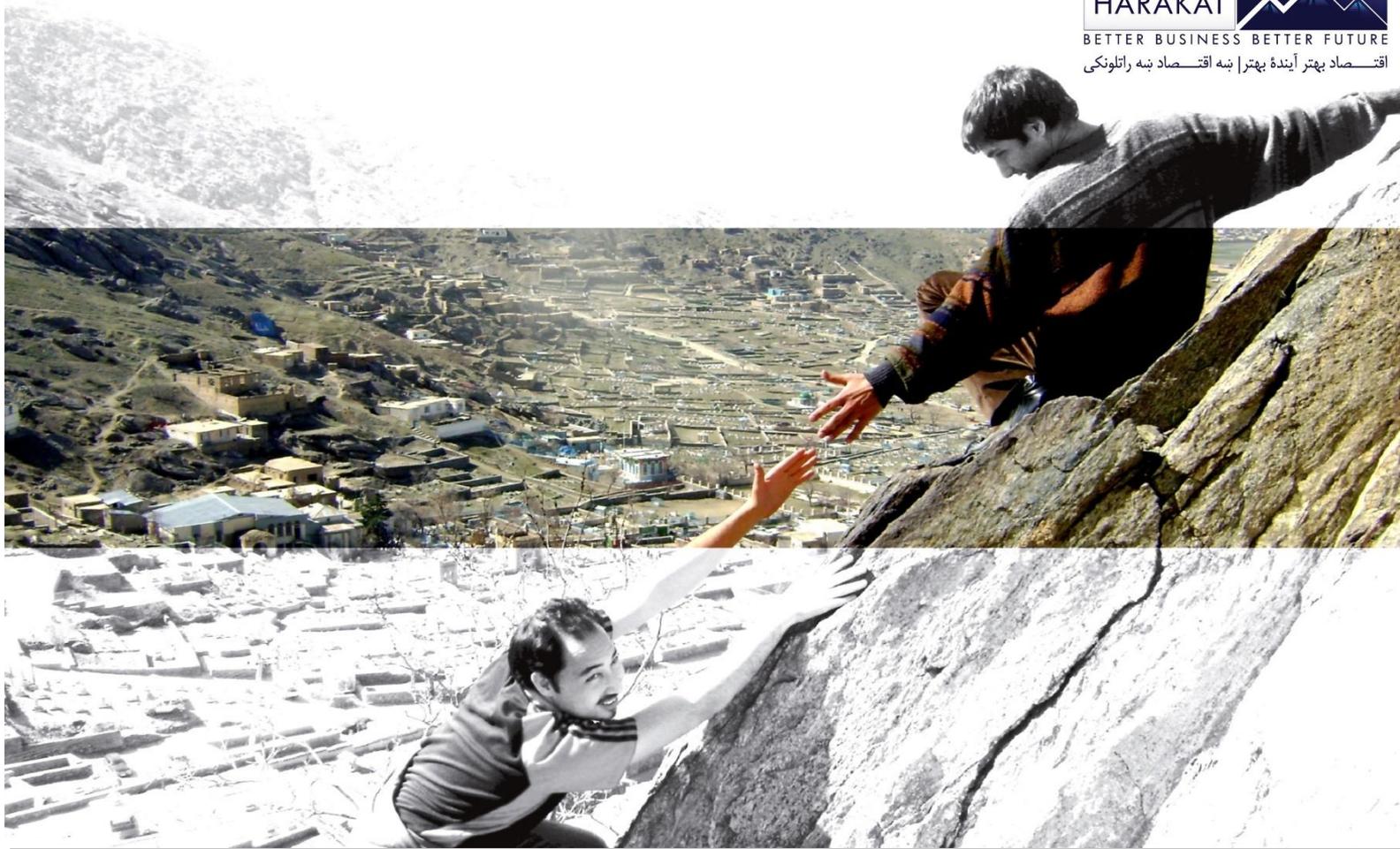
حرکت

HARAKAT



BETTER BUSINESS BETTER FUTURE

اقتصاد بهتر آینده بهتر | نه اقتصاد نه راتلونگی



Harakat

OVERVIEW OF HARA KAT

- 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:

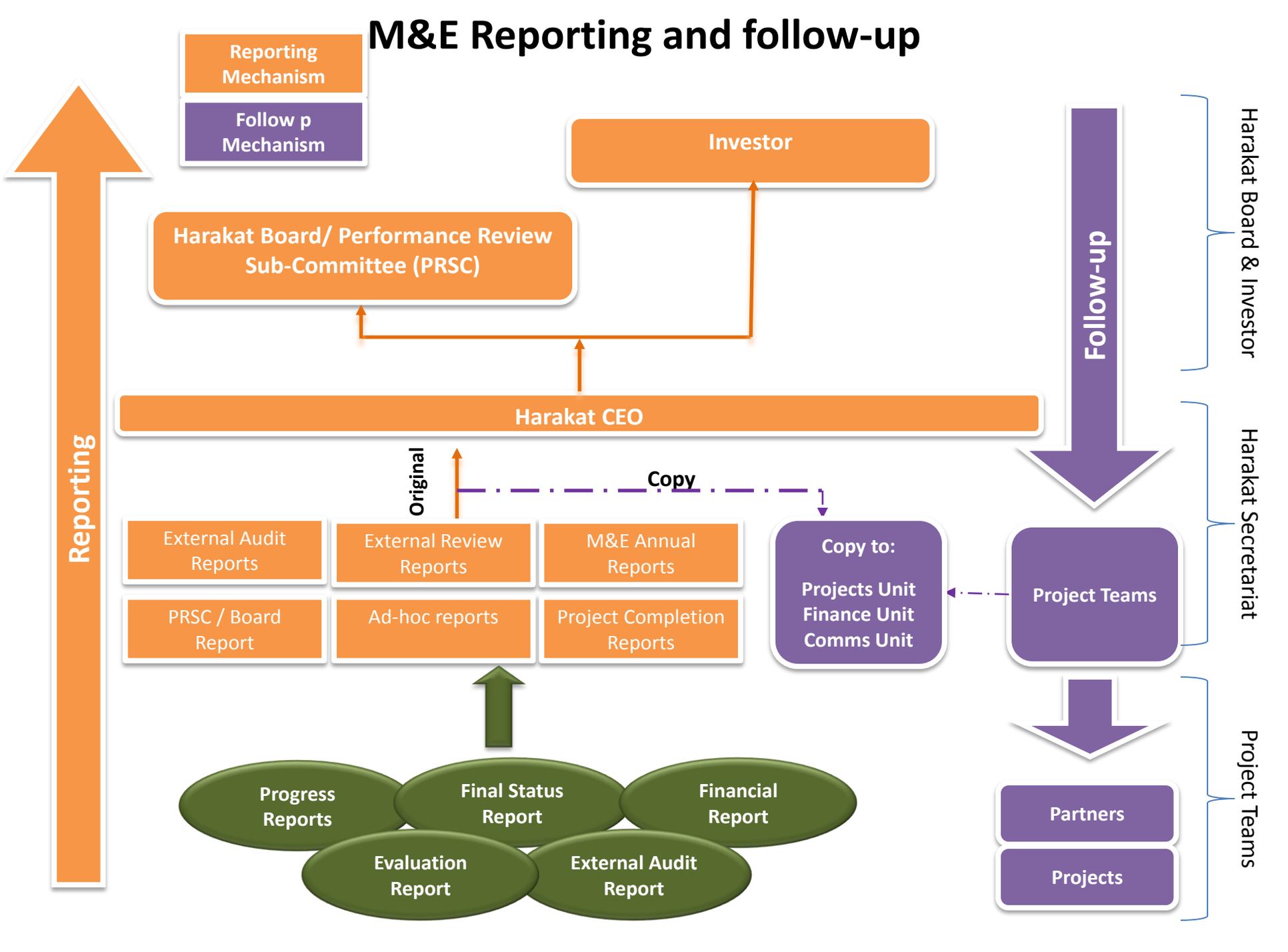
Goal				What is the project contributing towards?	Focused by evaluation and Research Focused by Monitoring function
Overall Purpose					
Program Outcomes					
Program Outputs		Will it result in increased capacities of public & private sector and/or enactment/ implantation of business regulations?	What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



Harakat- AICFO M&E responsibilities

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

M&E Reporting and follow-up



Progress: How Harakat is making difference?

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

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

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

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