



## Joint Programme Document and Fund Transfer Request

UNCTAD-UNDP Afghanistan

Development Emergency Modality – Response to the Global Crisis on Food, Energy, Finance

### Eligibility Check

Does the proposal address one or more of the following sectors affected by the global crisis? Select all relevant sectors.	<input checked="" type="checkbox"/> Food <input checked="" type="checkbox"/> Energy <input checked="" type="checkbox"/> Finance
What are the areas of intervention that will be implemented by this proposal? Select all relevant intervention areas.	<input checked="" type="checkbox"/> Data collection/analytics <input checked="" type="checkbox"/> Analysis and forecasting <input type="checkbox"/> Help devise comprehensive preventative package of response measures <input checked="" type="checkbox"/> Testing / catalysing new integrated policies, financing solutions, programmes
Is the proposal developed under the RC leadership to mobilize the UNCT to effectively and efficiency respond to the crisis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the proposal contribute to results in the UNSDCFs?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the proposal building on and topping up an existing joint programme supported by the Joint SDG Fund?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If yes, please follow the specific guidance as per communications from the Secretariat)</i>

### Cover-page

<b>MPTFO Project Reference Number</b>	<i>(Leave blank, for automatic population in Atlas)</i>
<b>Country</b>	Afghanistan
<b>Region</b>	
<b>Joint programme title:</b>	<b>Afghanistan’s Private Sector Capacities and Capabilities for Food Security: An Integrated Assessment</b>

Outcomes(s): <verbatim from CF>	<p><b>Overall Objective:</b> Strengthen Afghan MSMEs by attending to their various needs and increasing their employment capacity to help sustain livelihoods of household members including women and youth.</p> <p><b>Specific Objective 1:</b> Take stock of the current conditions (operating environment, value chain positions, employment capacity, and main needs) of clustered MSMEs in and around the eight main zonal population centers in North Eastern, Northern, North Western, Central, Eastern, Southern, South Western, and Western zones of Afghanistan.</p> <p><b>Specific Objective 2:</b> Identify the actors, factors and mechanisms that support job-intensive activities by MSMEs in the domestic and export markets and sound macroeconomic management based on consistently applied and inclusive policies, regulations, and laws.</p>
Duration:	Maximum 6 months, no later than 31 December 2022
Anticipated start and end dates:	07/2022 to 12/2022 (for Top-ups, extensions to no later than 31 December 2022)
<b>Short description</b>	<p>Max 300 words</p> <p>A key instrument for fighting poverty and increasing food security is through creating productive and longer term employment. Micro, small and medium-sized enterprises (MSMEs) offer a unique potential for intervention to increase longer-term and sustainable employment, including in farm-based and agricultural sector. Since cluster based MSMEs throughout Afghanistan have existed for generations and despite the decades of conflict, with proven track record of innovation and resilience carrying out productive economic activity and providing employment and livelihoods within their communities.</p> <p>Rural MSMEs also employ a large number of women with some, such as in saffron production, poultry production, and carpet weaving, being entirely operated by women. Interventions to provide structural, technical and financial support for MSMEs are consistent with international aid objectives for Afghanistan since 2001 to bolster the private sector as a key and independent driver contributing to sustainable economic development and creating an enabling environment for women’s economic independence.</p> <p>The proposed intervention is also consistent with One-UN Transitional Engagement Framework for Afghanistan in 2022, particularly Outcome 2 (By the end of 2022, essential services are sustained that address basic human needs for the people in Afghanistan) and Outcome 3 (By</p>

the end of 2022, Afghanistan will preserve social investments and community-level systems essential to meeting basic human needs, protect gains to the SDGs, and develop scenarios for future engagement). Systemically approached, such interventions are consistent with efforts toward meeting SDGs.

Resident Coordinator Dr. Ramiz [alakbarov](mailto:ramiz.alakbarov@un.org) E:ramiz.alakbarov@un.org

UN Joint Program RCO focal point Ms. Silke von Brockhausen, [brockhausen@un.org](mailto:brockhausen@un.org), Head of Resident Coordinator Office Afghanistan, Phone: +93 730 745362

UNCTAD, Lead agency JP Focal point Ms. Lema khurram E:lema.khurram@asycuda.org

UNDP, JP focal point Mr. Akabr Durrani, [akbar.durrani@undp.org](mailto:akbar.durrani@undp.org)

**Total budget:**

**Source of funds:**

- UN Joint SDG Fund up to \$248,775 (\$400,000 for MCOs)
- PUNO 1
- PUNO 2
- 
- Other sources

**SDG Targets directly addressed by the Joint Programme** Min 2 max 5  
SDG targets: SDG1, SDG2, SDG5, SDG8 and SDG9

**Gender Marker** Select only one from the options below

GEN3: Have gender equality/women empowerment as the primary or principal objective.

GEN2: Make a significant contribution to gender equality/women empowerment.

GEN1: Make a limited contribution to gender equality/women empowerment

GEN0: Make no contribution to gender equality/women empowerment



## JOINT PROGRAM DESCRIPTION

### Situation Analysis

Max 500 words. A brief, evidence-based situation analysis of the development challenges to be addressed. It is connected to country analytical work as relevant. Apply a gender lens to the analysis and description of the problem.

With some success, the bulk of the interventions to strengthen the economy of Afghanistan between 2001 and 2021 were driven by economic models emphasizing the importance of private sector and need for increasing value adding activities by Afghan producers and service providers. As with most traditional / older societies, Afghanistan's economy, particularly in population centers, is to a significant extent made up of constellations of enterprises of the same or related trades clustered around a number of identifiable locations. For a variety of reasons, clustered micro, small and medium-sized enterprises (MSMEs) have persisted. Many clusters of MSMEs throughout Afghanistan have existed for hundreds of years despite the recurring periods of turmoil and instability and continued to carry out productive economic activity while creating employment and sources of livelihoods for thousands of families.

Between 2001 and 2021, significant efforts were made to develop the capacity of enterprises in a number of key areas through such means as technology transfer and business management. MSMEs in agriculture and livestock value chains benefited from these efforts with forward and backward linkages being made and strengthened for a number of agricultural products including fresh fruits and vegetables. These improvements came to a sudden halt on August 15, 2021.

Afghanistan is currently experiencing an economic crisis and extremely high levels of food insecurity. The crisis, intensified since the change of government on August 15, 2021, continues to undermine the country's ability, and international community's efforts, to ensure the availability of and adequate access to food for large swathes of the population. Per capita incomes in 2022 are estimated to have fallen by around one-third compared to 2021. While international humanitarian aid for Afghanistan continues, there has been minimal international financial assistance for development to maintain and possibly expand capacities for food security, energy provision, and finances including access to the international banking system. Agriculture as a key sector has experienced a drop in total output as a combined result of the multi-year drought, inadequate infrastructure, and unavailability or higher prices of basic agricultural inputs.<sup>1</sup> A continuation of the current crisis is likely to result in more widespread

---

<sup>1</sup> Afghanistan Development Update – April 2022: Towards Economic Stabilization and Recovery, available from: <https://thedocs.worldbank.org/en/doc/5f01165822f3639224e0d483ba1861fc-0310062022/original/ADU-2022-FINAL-CLEARED.pdf>

---

poverty, displacement, increased vulnerability, and political instability with direct implications for regional and international security.

Despite their significant role, the depth and breadth of the activities undertaken and services provided by clustered MSMEs have never been fully documented and analyzed to inform economic development policy making and programming to strengthen these pre-existing (and resilient) bases of economic activity and growth.

A key instrument for creating productive employment and thus increasing the number of households with incomes is strengthening MSMEs, including farm-based and agricultural entities, as pre-existing and resilient sources of productive economic activity and providers of employment and livelihoods within their communities. Interventions to provide structural, technical and financial support for MSMEs are consistent with international aid objectives since 2001 to bolster the private sector as a key and independent actor contributing to sustainable economic development in Afghanistan. Such interventions are also consistent with efforts toward meeting SDGs.

---

**Programme Strategy**

Max 1000 words, summarizing the proposal, including (1) the rationale and relevance of the proposed approach; (2) the expected outputs and their contribution to addressing the impact of the global crisis, CF outcome(s), and related SDG; (3) How the JP results translate into medium-term policy and/or financing solutions; (4) Focus on vulnerable groups; (5) The role of wider UNCT and other stakeholders. Outline any potential risk you foresee in carrying out the strategy and how you plan to mitigate against such risk, if any.

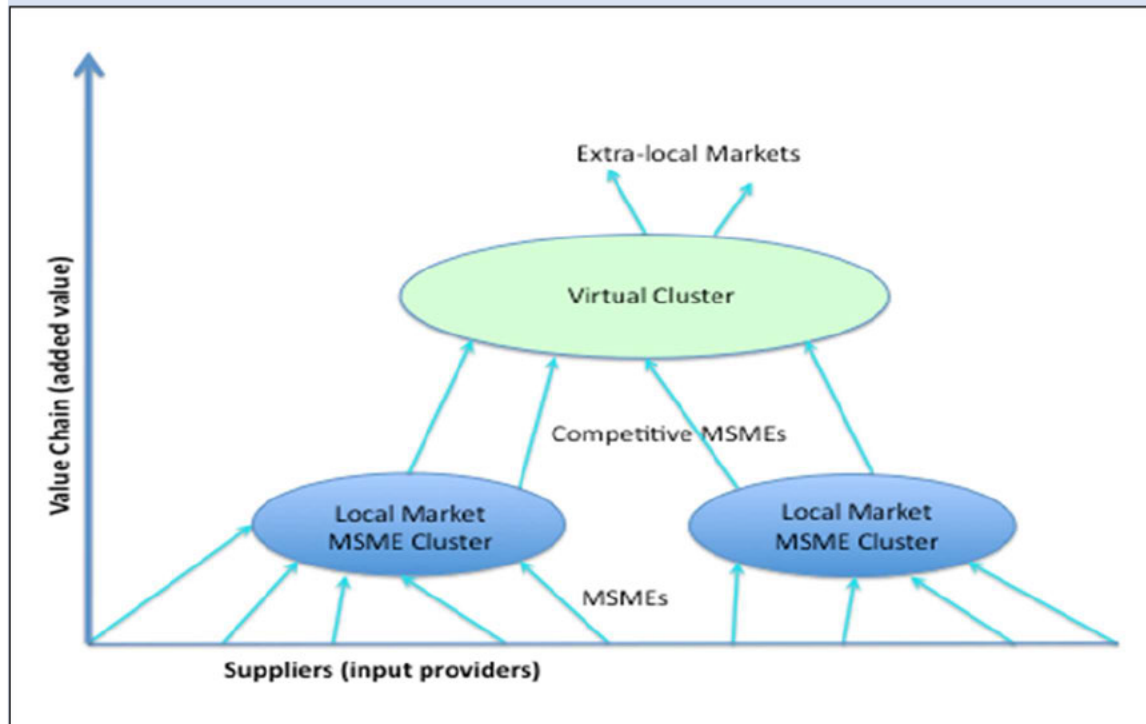
**Overall Objective:** Strengthen Afghan MSMEs by attending to their various needs and increasing their employment capacity to help sustain livelihoods of household members including women and youth.

The rationale for focusing on clustered MSMEs is that they often face shared constraints such as regulatory pressures or lack of access to markets or capital, and are thus often interdependent in overcoming constraints despite being competitive toward one another. Whereas the value chain approach emphasizes the broader market conditions and the need for individual firms to strive to move up the value chain, the cluster approach is concerned about the more immediate operating and market environment of clustered enterprises which are typically co-located, share suppliers and customers, and are more likely to collaborate horizontally.<sup>2</sup> Figure 1 depicts the relationship between clustered MSMEs and the value chain within which clustered MSMEs operate.

---

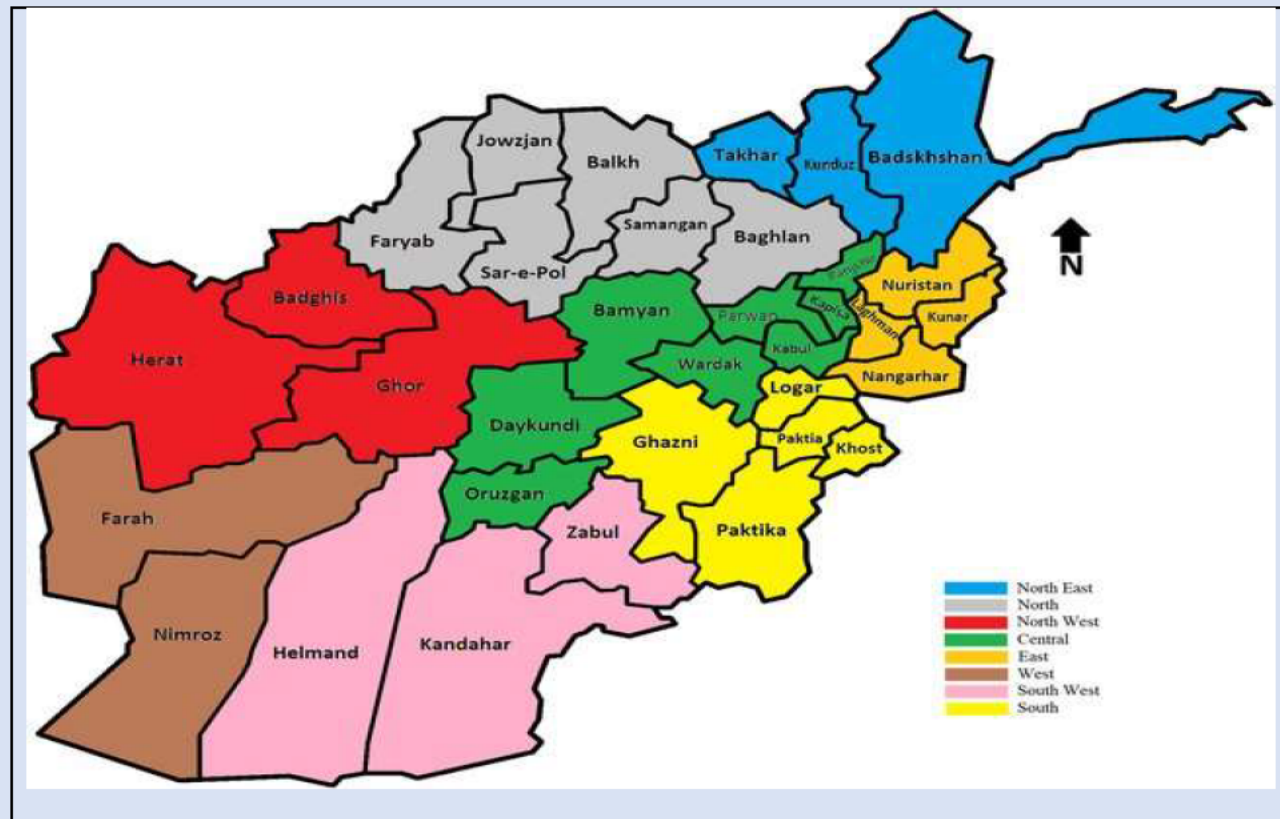
<sup>2</sup> See, for example, USAID (2008), Value Chain and the Cluster Approach, available from: [http://pdf.usaid.gov/pdf\\_docs/Pnadb044.pdf](http://pdf.usaid.gov/pdf_docs/Pnadb044.pdf)

**Figure 1: Clusters and Value Chains**



**Specific Objective 1:** Take stock of the current conditions (operating environment, value chain positions, employment capacity, and main needs) of clustered MSMEs in and around the eight main zonal population centers in North Eastern, Northern, North Western, Central, Eastern, Southern, South Western, and Western zones of Afghanistan (Figure 2).

Figure 2: Afghanistan's Zones



The cluster approach is focused on consolidation of the clustered MSMEs in terms of efficiency and resiliency. Efficiency (and effectiveness) of a cluster may be increased through securing shared agreements to secure cheaper supplies of raw materials, instantly increase supply of goods and services to meet spikes in demand by drawing on built-in redundancy within the cluster, and use the critical mass of the cluster to demand change in operating conditions, secure loans, or undertake joint marketing. Clusters of MSMEs, particularly in a less developed context and without access to export markets, are prone to benefiting from realignments in the domestic market aimed at



---

increasing demand for domestically produced goods and services. Realignment, carried through in a value chain framework, is likely to lay the foundation necessary for domestic enterprises to move up on the value chain and gain access to extra-local markets (Figure 1).

**Specific Objective 2:** Identify the actors, factors and mechanisms that support job-intensive activities by MSMEs in the domestic and export markets and sound macroeconomic management based on consistently applied and inclusive policies, regulations, and laws.

Activities under this objective will include documentation of the current policies, regulations and laws; corruption; access to affordable and reliable infrastructure, especially power; access to finance; and skills shortages.

A comprehensive analysis of data from clustered MSMEs will generate much needed systemic and systematic knowledge about the traditional forms of business organization in the broader economy, the extent of their positive and legitimate contributions in generating livelihoods, their internal sustenance mechanisms such as apprenticeship arrangements, access to finance, and technology requirements.

Continued analysis data from clustered MSMEs can also reveal entry points for introducing value-adding interventions to increase productive capacity of the clustered enterprises and their contributions to economic growth and social stability. Ultimately, strengthening clustered enterprises at the micro – firm level – and macro – national regulatory level – is likely to create an enabling environment for individual MSMEs to move up their respective value chains.

---

**Governance and implementation arrangements**

Max 500 words. Explain the specific roles and responsibilities of RC/RCO, PUNOs and other partners – to ensure integrated implementation and effective governance under the RC leadership. Focus on coordination, decision-making, reporting and how transaction costs will be reduced. Explain why this is the best approach including how it avoids introducing parallel structures to those that already exist, and confirm that existing structures and mechanisms of UNCT, government, and related programs/initiatives are leveraged.

This proposed action will be implemented by a joint partnership of UNCTAD and UNDP in Afghanistan. The broad tasks are as follows.

**UNCTAD:**

- Guidance on how to identify barriers and opportunities in enabling clustered agri-food and women owned or operated MSMEs to produce safe and plentiful foodstuffs and other products through improvements in quality management, hygiene, and technology.
- Promotion of the realignment of the domestic market for the clustered MSMEs and increased access to regional and international markets through digitization of trade and streamlining administrative procedures to eliminate delays and reduce opportunities for corruption.

**UNDP:**

- Guidance and feedback on findings from a national survey of sampled MSMEs to document and analyze domestic competitiveness and potential for exports of locally manufactured products by women MSMEs
- Technical note on exploring options of creating a network of business support structure at the local level for MSMEs and agri-based value chains particularly for food to help increase productivity of agri-businesses, business development and market promotion to expand businesses at the village level to contribute to the achievement of the SDGs.
- Guidance and feedback on findings from the assessment of clustered MSMEs to establish the types of support needed for the reorganization of the physical workplace to increase efficiency and measures needed for the protection of rights in the workplace – particularly of youth and women in the post August 2021 scenario.

**Legal context**

This section refers to cooperation or assistance agreements form the legal basis for the relationships between the Government and each of the UN organizations participating in this joint programme. For example: the Basic Cooperation Agreement for UNICEF; Standard Basic Assistance Agreement for UNDP, which also applies to UNFPA; the Basic Agreement for WFP; as well as the Country Programme Action Plan(s) where they exist; and other applicable agreements for other participating UN organizations. For the Funds and Programmes, these are standing cooperation arrangements. For the specialized Agencies, these should be the text that is normally used in their programme/project documents or any other applicable legal instruments. The text specific to each participating UN organization should be cleared by the respective UN organization.

The UNDP and UNCTAD work under United Assistance Mission in Afghanistan (UNAMA) based on the UN Security Council mandate. Therefore, the relationship with De facto authorities is in the framework of UN resolutions.

The oversight for the implementation of this project will be provided by the RCO in Kabul. UNCTAD, in consultation and coordination with UNDP will appoint a dedicated point person to communicate with the RCO to provide monthly updates as the project progresses and to seek guidance to resolve any challenges during the implementation.

Workplan Template														
Outcome 1		Take stock of the current conditions (operating environment, value chain positions, employment capacity, and main needs) of clustered MSMEs in and around the eight main zonal population centers in North Eastern, Northern, North Western, Central, Eastern, Southern, South Western, and Western zones of Afghanistan.												
Output	Target/s	List of activities	Time frame <i>Customize as relevant</i>						PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved
			Jul	Aug	Sep	Oct	Nov	Dec	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)		
<b>Output 1.1:</b> Synthesis Report based on a systematic review of the available literature on clustered MSMEs in Afghanistan and development of a survey instrument	<b>One Synthesis Report</b>	Literature review	X					Salaries for: - Team Leader - Field Manager and Coordinator - Oversight and monitoring	40,000	0	0	UNCTAD 57% UNDP 43%		
		Synthesis	X	X										
	<b>One Survey Instrument</b>	Development of the survey instrument based on findings from the literature review.		X										

<b>Output 1.2:</b> Analytical report based on the analysis of survey data collected in eight zones with findings on barriers and opportunities for creating an enabling environment for MSMEs particularly in the agri-food clusters and particularly MSMEs that employ women.	<b>Technical Report (Part 1) based on analysis of survey data collected in eight zones</b>	Train data collectors		X						1. Salaries and expenses for: - Team Leader - Field Manager and Coordinator - Surveyors - Oversight and monitoring  2. Travel, accommodation and related expenses for: - Training surveyors in Kabul (travel, venue, food and transport) - Field work expenses (food, transport, tablets)	75,000	0	0	UNCTAD 57% UNDP 43%	
		Collect and clean survey data			X										
		Analyze data and write up technical report					X								
<b>Outcome 2</b>		Identify the actors, factors and mechanisms that support job-intensive activities by MSMEs in the domestic and export markets and sound macroeconomic management based on consistently applied and inclusive policies, regulations, and laws.													
Output	Target/s	List of activities	Time frame						PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved	
			Jul	Aug	Sep	Oct	Nov	Dec	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)			
<b>Output 2.1:</b> Interview questionnaire	<b>One set of guiding questions for</b>	Development of guiding questions						X		1. Salaries for: - Team Leader	40,000	0	0	UNCTAD 57% UNDP 43%	

based on findings from technical report (See Output 1.2)	<b>interviews with key informants and conducting interviews</b>	Interviews with +/- 20 Key Informants					X		- Field Manager and Coordinator - Oversight and monitoring							
		Analysis of interview data					X	X	2. Rental vehicle 3. Flight and hotel expenses for Team Leader							
<b>Output 2.2:</b> Conducting interviews with key informants from the Taliban governing body, relevant government entities with mandates or responsibilities for private sector development, relevant multilateral bodies with mandates on private sector development in Afghanistan.	<b>Documented interview data.</b>						X		Salaries for: - Team Leader - Field Manager and Coordinator - Oversight and monitoring	48,775	0	0	UNCTAD 57% UNDP 43%			
							X									
	<b>Key findings from the analysis of interview data.</b>								2. Rental vehicle 3. Incidental costs							
	<b>Technical Report (Part 2) based on key findings from interviews.</b>							X								

## Monitoring, accountability, financial management, and public disclosure

*Standard text – do not change*

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. **The Convening/Lead Agent will develop a simple final narrative report and submit it to the Joint SDG Fund Secretariat, through the Resident Coordinator no later than two (2) months after the operational closure of the programme activities.**

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

The Project will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent. The programmatic UN entity of the Facility shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Project in accordance with its own regulations, rules, directives and procedures. The entity shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. Indirect costs of the Participating Organizations recovered through project support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund. PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

---

---

## Risk Management

See further instruction below (delete the instructions before finalizing the ProDoc)

Risks	Risk Level: (Likelihood x Impact, as per instructions)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Risk to security of field personnel	5	1	5	Coordination with local authorities to obtain permission to conduct surveys	Consultants
Programmatic risks					
Failure to meet SDGs or mandates of UNCTAD and UNDP	5	1	5	The proposed action is designed to meet SDG1, SDG2, SDG5, SDG8 and SDG9	UNCTAD, UNDP, Consultants
Institutional risks					
Objection by Taliban authorities to research being conducted	5	1	5	Briefing Taliban authorities on the purpose of the survey and potential economic benefits for the MSMEs and their communities.	Consultants
Fiduciary risks					
Misappropriation of funds	10	2	5	Monthly financial reports to be submitted by the consultants to UNCTAD and UNDP	Consultants

--	--	--	--	--	--

---



## Budget per UNSDG Categories

UNSDG BUDGET CATEGORIES	UNCTAD		UNDP	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	99,750		75,250	
2. Supplies, Commodities, Materials	5,700		4,300	
3. Equipment, Vehicles, and Furniture (including Depreciation)	5,700		4,300	
4. Contractual services	0		0	
5. Travel	18,525		13,975	
6. Transfers and Grants to Counterparts	0		0	
7. General Operating and other Direct Costs	2,850		2,150	
<b>Total Direct Costs</b>	<b>132,525</b>		<b>99,975</b>	
8. Indirect Support Costs (Max. 7%)	9,276.75	6,998.25		
<b>TOTAL Costs</b>	<b>141,801.75</b>	<b>0</b>	<b>106,973.25</b>	<b>248775.00 USD</b>

## Signature of Joint Programme document and Fund Transfer Request as per UNSDG budget categories.

I hereby confirm that the funds requested are in accordance with the approved Work Plan & Joint Programme Document. \* I also certify that the copy transmitted to the MPTF Office is a true copy of the original which is secured by the RC Office. I have received documentation from Participating Organizations demonstrating Committed amounts where applicable. I also confirm that the PUNOs' indirect cost does not exceed 7%.

<b>RESIDENT COORDINATOR SIGNATURE</b>	<b>Name: Ramiz Alakbarov</b> Date and Signature 13-Jun-2022	DocuSigned by:  C378DCEC46B449C...
<b>UNDP Representative SIGNATURE</b>	Abdallah Al Dardari, Resident Representative <b>Date and Signature</b> 12-Jun-2022	DocuSigned by:  9BC324BC8E9449F...
<b>UNCTAD Representative SIGNATURE</b>	Reza Mohammadi, Coordinator for Central Asia & Afghanistan <b>Date and Signature</b> 12-Jun-2022	DocuSigned by: 