



BRIDGING THE GAP

Trade and Investment Capacity
Building for Least Developed and
Landlocked Developing Countries

Afghanistan

The secretariat of the Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations and serves as the main economic and social development centre for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation between its 53 members and 9 associate members. ESCAP provides the strategic link between global and country-level programmes and issues. It supports Governments of the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socio-economic challenges in a globalizing world. The ESCAP office is located in Bangkok, Thailand. Please visit our website at www.unescap.org for further information.



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INTRODUCTION TO THE CAPACITY BUILDING PROGRAMME IN TRADE AND INVESTMENT

Growing trade and investment in Asia and the Pacific has been a major driver of the regional economic dynamism that has lifted millions from poverty. Not all countries, however, have been able to benefit from increasing regional and global trade: least developed countries and landlocked developing countries often face the greatest obstacles to participation.

Considerably poorer than the regional average, least developed countries and landlocked developing countries account for only a small fraction of regional trade and investment flows. These countries still face substantial barriers to trade, whether in the form of geographic distance, infrastructure deficits, low human and institutional capacity, shortages of trade finance, or policies that impede trade and growth.

ESCAP therefore recognizes a pressing need to assist least developed countries and landlocked developing countries better integrate into global and regional trade and value chains. Increasing integration can bring numerous benefits starting with better employment opportunities and greater household purchasing power. Broader linkages with trading partners can also play a role in facilitating economic diversification, thereby enhancing resilience to shocks. Put simply, trade and investment policy is a crucial element in strategies for inclusive growth for a majority of, if not all, least developed countries and landlocked developing countries. In view of these needs, ESCAP has designed a special programme of

capacity building to assist least developed countries and landlocked developing countries. Three characteristics distinguish our approach.¹

Our activities are:

- **Demand driven** - Our actions are planned in response to specific requests for assistance from members.
- **Individually tailored** - Recognizing that no countries face exactly the same challenges, or face the same set of institutional, regulatory, economic and social circumstances, we tailor our advice, training and assistance to the unique needs of each country.
- **Broadly based** - ESCAP's areas of assistance cover the full range of trade and investment policies including: development of analytical tools; trade negotiations; trade facilitation; SME development; and improving the business environment.

Capacity building is realized through several different modalities:

- **Training** - Our trainings for government officials, researchers and policymakers help develop the analytical capabilities to use evidence effectively in tailoring policies to country needs. Furthermore, we provide training on developing institutional and regulatory frameworks as well as on negotiation of international agreements and treaties. We also use our communities of knowledge and practice to provide

¹ This note describes ESCAP technical assistance and capacity building work for least developed countries and landlocked developing countries in the area of trade and investment. ESCAP also provides assistance in range of other substantive areas. Further information can be obtained from the Countries with Special Needs Section: http://www.unescap.org/pdd/about_csns.asp

practical assistance with: trade facilitation issues, SME development, and trade defence measures.

- **Research and Analysis** - One challenge facing least developed countries and landlocked developing countries in the consideration of trade and investment policy is the difficulty of obtaining sufficient and high-quality information to make fully-informed choices. ESCAP's analytical work helps provide the knowledge base for better decisions.
- **Co-operation and Dialogue** - As the most inclusive platform for regional co-operation, ESCAP is ideally placed to facilitate co-operation and dialogue among member states and with other stakeholders, thereby enhancing knowledge sharing and understanding. Recognizing that trade-policy has broad cross-cutting effects, we also work with SMEs, investors and regulators to spread better understanding of the impacts of policy change.
- **Partnership and integrated approach** - Working in partnership with many international and regional organizations including UNCTAD, WTO, ADB, other UN regional commissions, as well as national and regional think-tanks, academia and government entities, we are able to provide comprehensive assistance, whenever possible as part of integrated and joint approaches.
- **Monitoring and Implementation** - To ensure that the capacity building programme is effective and impact creating, ESCAP partners with members throughout programme design, implementation and monitoring. Ongoing dialogue throughout the reform process is a hallmark of our approach.

2013-2015 TRADE AND INVESTMENT CAPACITY BUILDING PROGRAMME FOR AFGHANISTAN



Background

Afghanistan, a landlocked and least developed country located in central Asia, has made notable progress in recent years despite ongoing political and security challenges. Foreign direct investment and expanding trade links have fostered rapid economic growth: GDP per capita increased from \$186 in 2002 to \$681 in 2012. However, economic growth in 2013 was estimated at 3.6% - down sharply from the strong growth of 14.4% in 2012. Poverty remains widespread, with limited access to public utilities: according to the World Bank's Development Indicators, only 30% of the population had access to electricity in 2011. Afghanistan's Human Development Index score remains one of the lowest in the region. Much needs to be done to help Afghanistan reach its development potential and capitalize on its rich natural resources and pivotal geographical location.

The agricultural sector remains the mainstay of the Afghan economy. Over 70% of the population works in the field. Excluding the production of opium, this sector accounted for around one quarter of GDP in 2012. Future growth prospects for agriculture will, however, be constrained by the lack of arable land. On the other hand, the mining sector is expected to be a driver of future expansion. Afghanistan has large reserves of copper, iron, gold, cobalt and lithium. To ensure that resource-driven growth is sustainable and inclusive, it is important for Afghanistan to invest revenues from resources in public services and facilitate the spillover of mining activities into other related industries and hence achieve greater economic diversification.

In line with the broad development goals set forth in Afghanistan's National Development Strategy (ANDS),² private sector growth and development is a key priority area, alongside strengthening economic governance. In this regard, Afghanistan is making progress improving its bilateral, regional and global level trade relationships. Afghanistan has implemented a bilateral trade agreement with India and a transit agreement with Pakistan has been agreed. Afghanistan is also ratifying membership of the South Asia Free Trade Agreement (SAFTA) and is a member of the Economic Cooperation Organization Trade Agreement (ECOTA). Integration into world markets is limited but improving. Afghanistan is currently at the final stage of its accession process to the World Trade Organization.

Nonetheless, the ESCAP-World Bank bilateral trade cost database suggests that Afghanistan's trade costs with its neighbours remain very high. According to the World Bank Doing Business Report 2014, it takes around 83 days on average to export or import in Afghanistan, including preparation of documents. The cost per container is around \$4640 for exports and \$5180 for imports, making it one of the most expensive countries to trade with inside the region. Improvements in infrastructure as well as strengthened institutional capacity will be needed for Afghanistan to fully utilize the benefit of WTO membership.

Request for Assistance and Assessment of Needs

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_5267

