



Briefing Note for the proposed
Export Promotion Center of Afghanistan (EPCA)
May 2006

The Ministry of Commerce & Industries and GTZ – Afghanistan, with support from the USAID implementing partner OTF Group, are in the preliminary stages of establishing a new export promotion agency in Afghanistan. This proposed new agency will help break down export barriers and act as the center of a network for export related services. An overview of the proposed agency follows.

Institutional arrangements between the EPCA and the Ministry of Commerce

The EPCA is a quasi-independent government agency that will report directly to the Minister of Commerce (see Annex 1). This agency would be less independent than AISA and would be directly responsible to the Minister of Commerce. It will be run in a private sector way with more flexibility, highly professional specialists and service oriented performance. The end goal would be to make the EPCA financially sustainable through a fee for service model or a very low flat tax on exports. At the level of the Ministry of Commerce, the EPCA will work with the Director Export Promotion Department who will take up the experience of the EPCA and draft the export promotion policy on the ministerial level. Therefore the project will provide some capacity building in the MoC to the Export Promotion Department.

Role and services of the EPCA

The EPCA could serve a “first-stop shop” for export service delivery center for Afghan exporters and as the center of an on- and offshore network of export related services such as foreign business associations, Afghan commercial attaches, BDS providers, financial institutions and many others (see Annex 1). Although the EPCA should not provide services that can be provided by private sector providers, it should provide some services in the short to medium term for which exporters may not pay:

- **Market intelligence:** Afghan exporters require good information about the best customers and markets for their products. EPCA staff could either conduct or outsource primary market research to identify the needs of customers in attractive markets for Afghan products. In addition, this team would be repository of secondary research on markets for and competitors of Afghan product. Exporters will also have access to reports and feasibility studies for emerging sectors in Afghanistan, with the goal of diversifying exports and accelerating the development of new businesses.
- **Market linkages:** once high potential markets have been identified, they must be “activated”. The market linkages team will facilitate new deals by helping exporters prepare to interact with foreign buyers, prepare logistics for trade missions finally be the official lead for trade missions overseas. Initially this team will need to do most of the work involved with

organizing the trade missions, but they would transition the bulk of the responsibility to private providers over time and assume a coordinating role for these activities.

- **Forms & Procedures:** the knowledge of international standard export forms and procedures either does not currently exist in Afghanistan or is handled inefficiently by government bureaucracy. This team will be essentially act as a “one-stop shop” where exporters can access up to date forms and required authorizations. They will also provide training on these topics to freight forwarders so that they can provide these services as part of a portfolio of service offerings.

Structure of the EPCA

The EPCA will be organized as a matrix (see Annex 2) with sector specialists serving as the first point of contact with potential and current exporters. Depending on the exporter’s problem, the sector specialists can collaborate with functional specialists. Export delivery services will be handled by a matrix structure where sector specialists focus on relationship management and functional specialists provide the direct services described above; market intelligence, market linkages and forms and procedures. On- and offshore partner management is handled by a dedicated department.

Proposed role of the CCCA

Over the past 18 months, the Commercial Competition Commission of Afghanistan (CCCA) has acted as a forum for debate and problem solving for issues related to private sector competitiveness. The CCCA will play a similar role in both guiding and solving problems for the EPCA and would propose that the CCCA become an advisory board (see Annex 3). As the secretariat to the CCCA, the EPCA will be empowered by the CCCA to monitor the implementation and progress of decisions taken by the CCCA.

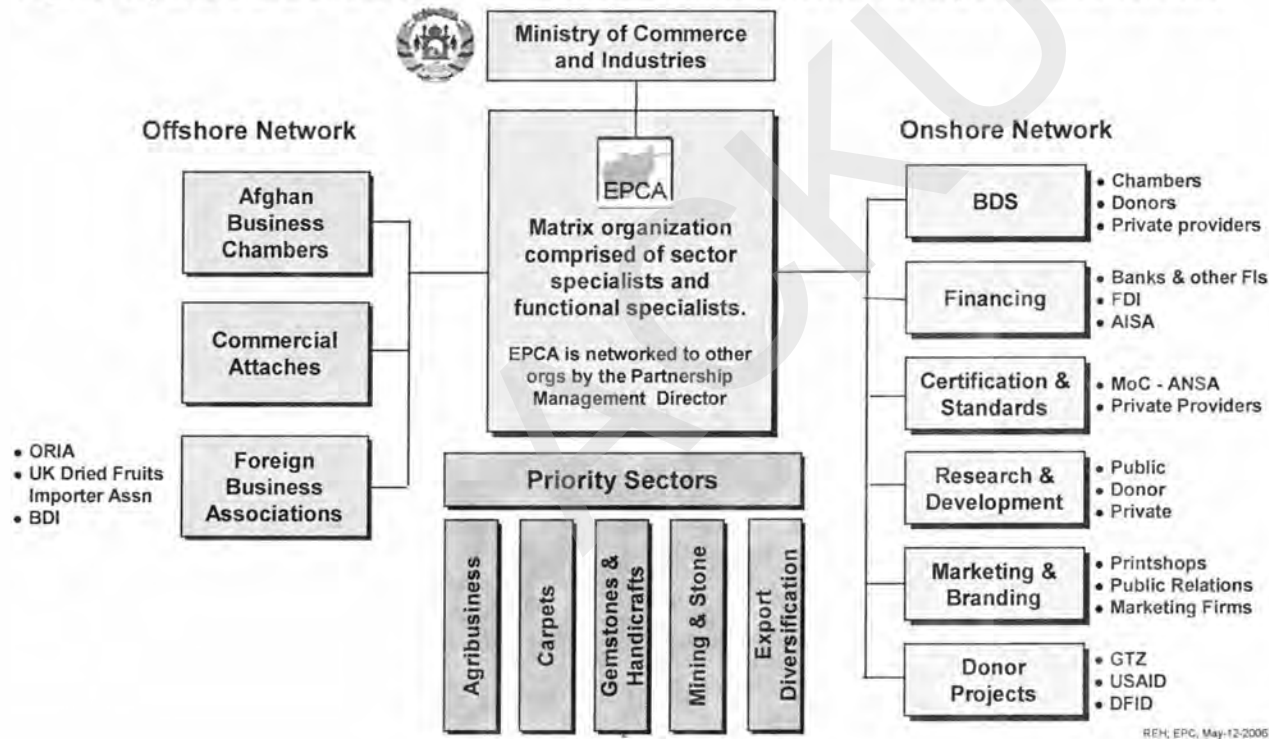
Annex 1: EPCA Institutional Framework and Arrangements

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Export Promotion Center of Afghanistan (EPCA) Institutional framework & arrangements



The EPCA will be a quasi-independent government agency that reports to the Ministry of Commerce via a dedicated counterpart. It will serve as the export service delivery center for Afghan exporters and as the center of an on- and offshore network of export related services.



Annex 2: Organizational structure of the EPCA

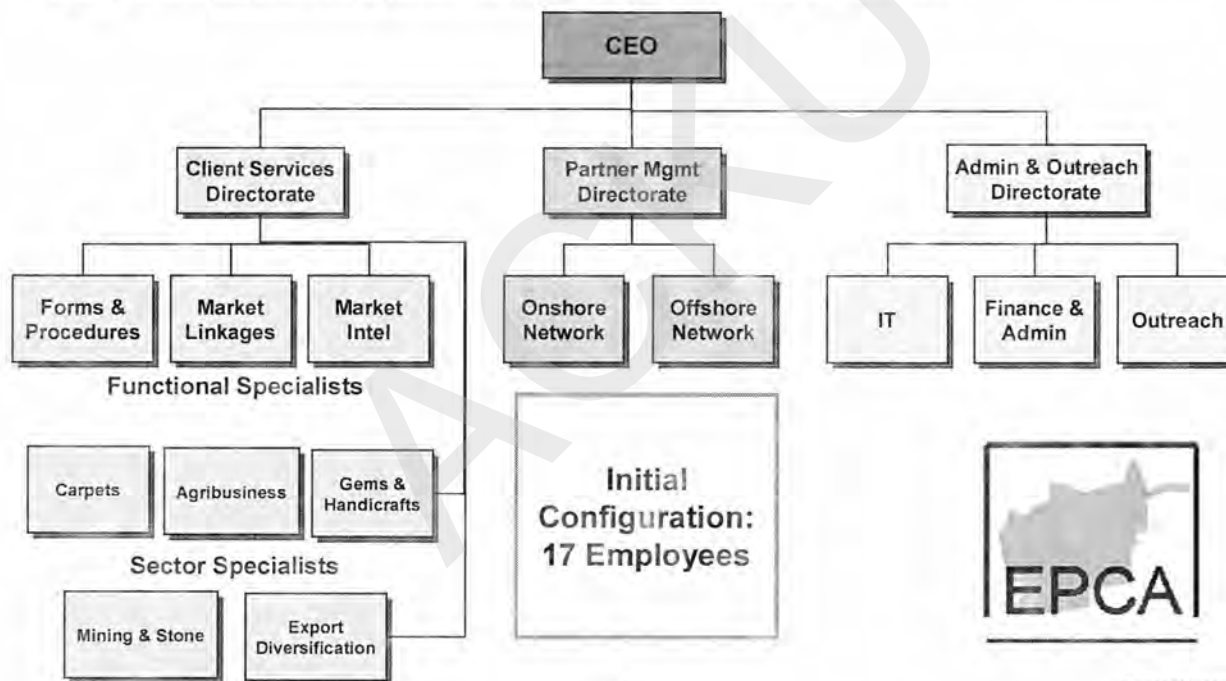
Export Promotion Center of Afghanistan (EPCA)

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EPCA detailed organizational chart



Export delivery services will be handled by a matrix structure where sector specialists focus on relationship management and functional specialists provide support in specific areas. On- and offshore partner management is handled by a dedicated department.



BEH, EPC, May-12-2006

Annex 3: Relationship between the EPCA and ECA

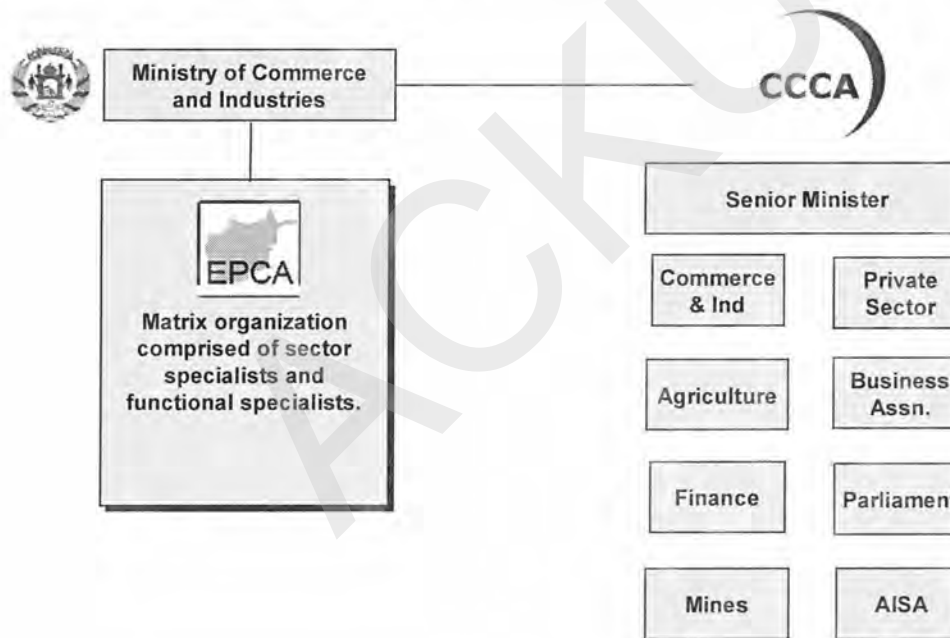
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Export Promotion Center of Afghanistan (EPCA)

Relationship between the EPCA & the CCCA



The Commercial Competition Commission of Afghanistan (CCCA) will act as an advisory board to the EPCA. The CCCA is composed of members from the private sector, government and business associations.



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