



# 2021

## Women's National Business Agenda

*A roadmap for Afghan  
women's economic  
empowerment*



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This initiative was made easier through collaboration with officials at the Ministry of Women’s Affairs, the Women’s Economic Empowerment Rural Development Program (operating under the Ministry of Rural Rehabilitation & Development), the Ministry of Industry & Commerce, and the Ministry of Agriculture, Irrigation, & Livestock.

The exhaustive field work necessary to update our national database of women-owned businesses would not have been possible without funding provided by Harakat, Ghazanfar Bank, and a personal donation made by the First Lady, H.E. Rula Ghani.

Besides acknowledging our financial supporters and partners, we must also express our gratitude to the 29 businesswomen who worked

as volunteer focal points for AWCCI across Afghanistan. These businesswomen conducted consultations with other women business owners in their respective provinces, and this study is enriched by the insights that they gathered.

We must thank the 1,221 businesswomen from 32 Afghan provinces who shared their views with our focal points in focus group discussions and key informant interviews. We have made every effort possible to faithfully present their concerns and suggestions in this document.

Finally, AWCCI is grateful to Salem Halali of Global Impact Management Consulting (GIMC) and David Fox of AMR Group for their dedication in drafting, editing, and formatting this comprehensive document.

PAGE LEFT: JAMA DESIGN FOUNDER MOHSENA SAQEB SHOWCASES A TRADITIONAL AFGHAN DRESS IN HER SHOWROOM

ACRONYMS

ACCI	AFGHANISTAN CHAMBER OF COMMERCE AND INDUSTRIES
ACE	AFGHANISTAN CREDIT ENHANCEMENT
ACBR	AFGHANISTAN CENTRAL BUSINESS REGISTRY
ACEBA	AFGHANISTAN – COMPETITIVENESS OF EXPORT-ORIENTED BUSINESSES ACTIVITY
AREDP	AFGHANISTAN RURAL ENTERPRISE DEVELOPMENT PROGRAM
AWCCI	AFGHANISTAN WOMEN’S CHAMBER OF COMMERCE & INDUSTRY
BRT	BUSINESS RECEIPTS TAX
CDC	COMMUNITY DEVELOPMENT COUNCIL
CSO	CENTRAL STATISTICS ORGANIZATION
DOWA	DEPARTMENT OF WOMEN’S AFFAIRS
FGD	FOCUS GROUP DISCUSSIONS
KII	KEY INFORMANT INTERVIEWS
LEAD	LEADING ENTREPRENEURS FOR AFGHANISTAN’S DEVELOPMENT
MAIL	MINISTRY OF AGRICULTURE, IRRIGATION, & LIVESTOCK
MBAW	MADE BY AFGHAN WOMEN
MOCIT	MINISTRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY
MOIC	MINISTRY OF INDUSTRY & COMMERCE
MOE	MINISTRY OF EDUCATION
MOF	MINISTRY OF FINANCE
MOFA	MINISTRY OF FOREIGN AFFAIRS
MOLSAMD	MINISTRY OF LABOR, SOCIAL AFFAIRS, MARTYRS, & THE DISABLED
MOMP	MINISTRY OF MINES & PETROLEUM
MOPH	MINISTRY OF PUBLIC HEALTH
MOPW	MINISTRY OF PUBLIC WORKS
MOUDL	MINISTRY OF URBAN DEVELOPMENT & LAND
MOU	MEMORANDUM OF UNDERSTANDING
MOWA	MINISTRY OF WOMEN’S AFFAIRS
MP	MEMBER OF PARLIAMENT
MRRD	MINISTRY OF RURAL REHABILITATION & DEVELOPMENT
MSME	MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISE
NAP	NATIONAL ACTION PLAN
NAPWA	NATIONAL ACTION PLAN FOR THE WOMEN OF AFGHANISTAN
NATO	NORTH ATLANTIC TREATY ORGANIZATION
NES	NATIONAL EXPORT STRATEGY
NGO	NON-GOVERNMENT ORGANIZATION
NPA	NATIONAL PROCUREMENT AUTHORITY
NSIA	NATIONAL STATISTICS & INFORMATION AUTHORITY
PC	PROVINCIAL COUNCIL
PPP	PUBLIC-PRIVATE PARTNERSHIP
RFP	REQUEST FOR PROPOSAL
RFQ	REQUEST FOR QUOTATION
SME	SMALL AND MEDIUM-SIZED ENTERPRISE
UNAMA	UNITED NATIONS ASSISTANCE MISSION IN AFGHANISTAN
UNDP	UNITED NATIONS DEVELOPMENT PROGRAM
UNWOMEN	UNITED NATIONS ENTITY FOR GENDER EQUALITY AND EMPOWERMENT OF WOMEN
USAID	UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
WNBA	WOMEN’S NATIONAL BUSINESS AGENDA



## MESSAGE FROM THE AWCCI FOUNDER & PRESIDENT

Following months of hard work by dozens of research professionals across Afghanistan, I am proud to present Afghanistan's first Women's National Business Agenda. We hope that this document will serve as the starting point for strategic and long-term discussion on the status of women business owners in the Afghan economy and what can be done to support them.

Afghan women business owners have two important roles in Afghanistan's present and future. First, the labor of Afghan businesswomen contributes to the broader effort to strengthen the Afghan economy, create employment opportunities, and reduce the trade deficit. Second, our data indicates that women business owners are much more likely to employ female labor, thereby providing women much-needed professional opportunities and financial empowerment. Within the sample pool of 1,325 women-owned businesses that participated in focus group discussions and key informant interviews for this document, 88.5 percent of their aggregated workforce was composed of female employees. This percentage is four times the 21.8 percent female workforce participation rate for Afghanistan documented by the World Bank in 2020.

What made me the most optimistic when reviewing the data on women-owned businesses in Afghanistan is the age of these businesses. The majority of the women-owned businesses included in our database are between 1 and 5 years old. Adding additional context, this means that after the dramatic reduction in both NATO military forces and international development assistance that took place in 2014, Afghan women entrepreneurs continued to launch businesses even in the face of dire security and economic conditions. I believe that the AWCCI has had a role in the growing enthusiasm for business among Afghan women, but I also know that we cannot take all of the credit. We have been fortunate to have an administration in the Presidential Palace that shares our vision of a gender-inclusive Afghan economy, and we have even had to make last-minute edits to this document to reflect recent changes in business licensing requirements that positively impact Afghan businesswomen.

This study would not have been possible without the unwavering commitment of the AWCCI's research staff. In particular, Zainab Yousofi and Farahnaz Hakimi spent many long days at the AWCCI headquarters organizing a massive amount of data from various sources in order to help us see the signal through the noise.

Finally, I would also like to personally thank the international development organizations that continue to support the economic empowerment of Afghan women. There is much more work to be done, and I am thankful that the AWCCI will not be doing it alone.

Manizha Wafeq  
President, AWCCI



## EXECUTIVE SUMMARY

The Women's National Business Agenda (WNBA) is intended to serve as a baseline for discussion about the status of Afghan businesswomen, the challenges they face, and potential solutions to overcome these challenges. Two methods were employed to gather information for this document; first, the AWCCI's database of women-owned businesses was updated and analyzed, and second, focus group discussions (FGDs) and key informant interviews (KIIs) were conducted across Afghanistan with relevant Afghan Government officials, community leaders, and Afghan businesswomen.

The analysis of the national database reveals a socio-economic divide between licensed and unlicensed women business owners. Licensed business owners are significantly more educated than their unlicensed peers, and more likely to be engaged in high-skill sectors like education, media services, information technology, and healthcare. Unlicensed business owners, in contrast, are overwhelming concentrated in clothing/handicrafts production, with a large minority working in food production and processing. Licensed business owners are also far more likely to be active in promoting their businesses on social media platforms, although the data cannot determine if the low rate of social media use among unlicensed business owners is due to a lack of access to telecommunications services, a lack of digital literacy, or a combination of these and other factors. Both licensed and unlicensed women-owned businesses were largely funded by the personal savings of their founders. More research is needed to determine if the low rate of lending from microfinance and commercial banking institutions is related to gender, or if access to finance is an issue that both male and female business owners struggle with equally.

The FGDs and KIIs conducted for this study provide a more nuanced picture of the challenges that Afghan women business owners face. The women participants described their difficulties assembling capital to launch or grow their business, connecting with both local and international buyers, and finding opportunities to become more educated in business. The socio-economic divide seen in the database analysis appears here as well,

as the discussion and interview notes reveal that women business owners from rural and underdeveloped provinces are marginalized by Afghan Government ministries, by trade exhibition organizers, and by the development community.

For each challenge that women business owners shared with our research team, this document proposes a solution addressed to the relevant stakeholders in the public, private, and development sectors. The most urgent and actionable solutions are summarized briefly below, with much greater detail provided in the National Challenges & Solutions chapter:

1. Establish women's markets in provincial capitals where none currently exist [addressed to: relevant provincial governments]
2. Establish business licensing facilities in provincial capitals where none currently exist [addressed to: the Ministry of Industry & Commerce]
3. Increase the capacity of micro and small woman business owners by operating periodic Foundations in Business short courses [non-government stakeholders in Afghan women's economic development]
4. Of all trade exhibition slots allocated to women, ensure that 25 percent are reserved for provincial women-owned businesses. Furthermore, training must be arranged to increase the capacity of rural businesswomen to participate in and benefit from national and regional trade exhibitions [addressed to: the Ministry of Industry & Commerce and non-government stakeholders]
5. Reduce the space for corruption to exist by simplifying procedures for business licensing, tax compliancy, customs clearance, Government procurement, and land registration, among many other areas of concern [addressed to: the Ministry of Industry & Commerce and the Ministry of Finance, the National Procurement Authority, & the Ministry of Urban Development]
6. Encourage unlicensed micro and small women-owned businesses to enter



# INTRODUCTION TO THE WOMEN'S NATONAL BUSINESS AGENDA

The Afghanistan Women's Chamber of Commerce & Industry (AWCCI) was established in March 2017 to represent Afghan women in business and promote their contributions towards Afghanistan's economic development. Delivering on this mandate, the AWCCI developed the Women's National Business Agenda (WNBA) in order to document, analyze, and propose solutions for the myriad challenges that Afghan businesswomen face. This report presents the results of an extraordinary effort to engage with Afghan businesswomen and other stakeholders in all 34 Afghan provinces.

The AWCCI hopes that this document can serve as a baseline to determine how various stakeholders can further the interests of Afghan businesswomen. In the years to come, the AWCCI will be able to use this document to measure progress in key areas, celebrate successes levelling the playing field for Afghan businesswomen, and hold itself accountable in areas of the private sector where obstacles for Afghan women remain.

## STUDY METHODOLOGY

### Qualitative Methods

The AWCCI used several qualitative methods to gather information for the WNBA. From July to October 2020, 90 key informant interviews (KIIs) were conducted with members of provincial councils as well as provincial directors from the Ministry of Women's Affairs, the Ministry of Industry & Commerce, and the Ministry of Agriculture, Irrigation, & Livestock. Besides these interviews with Government officials and community leaders, the AWCCI also conducted 56 KIIs with businesswomen from a range of industries and socio-economic classes. The purpose of the KIIs was to document the views and recommendations of the subjects on the challenges that women face and potential solutions to address them. The interviews were conducted on the phone due to public health concerns related to the COVID-19 pandemic. Under the supervision of AWCCI leadership, the AWCCI research team and regional managers organized focus group discussions (FGDs) in 32 provinces (not including Nuristan and Paktika,

unfortunately) to encourage businesswomen to share their perspectives on the situation in each province. 1,165 businesswomen participated in these FGDs. Besides posing general questions about challenges that the participating businesswomen faced, the FGD facilitators also asked the participants specific questions about the gender breakdown of their employees, their involvement in advocacy efforts, and any experience they had receiving advocacy and leadership training.

### Quantitative Methods

In order to present an overview of the status of women in businesses in each province, the AWCCI utilized data from its national database of women-owned businesses. The creation of the women-owned business database was a major initiative of Leading Entrepreneurs for Afghanistan's Development (LEAD), the predecessor organization of the AWCCI. The initial collection of data was undertaken throughout 2015, and the AWCCI has regularly updated the database since then.

The following data points have been extracted from the database and shared with the reader in each provincial chapter:

- Sectors in which women-owned businesses are operating
- Sources of startup capital
- Education level of women founders
- Age of business
- Use of social media platforms

Each of these data points is disaggregated by licensed vs. unlicensed businesses, as these two classes of businesses often have distinctly different profiles depending on the province.

The purpose of sharing this data in the provincial chapters is not to engage in complex analysis about what the data does or does not suggest, but rather to provide additional context to the Challenges & Solutions at the Provincial Level section that follows. Analysis derived from the database is presented later in this chapter, in the Overview of National Database of Women Owned Businesses section.

- the formal economy by reducing the burden of licensing and tax compliancy [addressed to: the Ministry of Industry & Commerce and the Ministry of Finance]
7. Offer incentives to telecommunications companies and banks to provide services in underdeveloped provinces [addressed to: the Ministry of Finance]
  8. Increase online sales of women-made products in the short term by A.) working with existing Afghan e-commerce platforms, B.) advocating to the Government to construct the technical and regulatory framework to facilitate online payments within Afghanistan, and C.) improving the Afghan postal system to ensure that domestic and international parcel deliveries can be done reliably and affordably [addressed to: the Afghanistan Central Bank, Afghan Post,

- and non-government stakeholders]
9. Provide grants and technical assistance to support women entrepreneurs who are involved in industrial production [addressed to: international donor community]
  10. Improve access to finance by developing Sharia-compliant loan products [addressed to: lending institutions]
  11. Introduce a 10% quota for women-owned businesses for Government contracts [addressed to: the National Procurement Authority and provincial governments]

For more detailed text on any of the subjects covered above, the reader can reference the Table of Contents to skip directly to that section.

HANDBAGS PRODUCED BY THE  
WOMAN-OWNED BUSINESS  
ZARIN HANDICRAFTS





Desk Research

The AWCCI consulted Afghan Government sources available online in order provide the reader with a short introduction to each province. This introduction, included at the beginning of each provincial chapter, includes data on population size, employment by sector, and literacy rates. The source of data for this section is the 2018 edition of the Afghanistan Provincial Profile document, published by the National Statistics and Information Authority (NSIA), as well as the 2020-2021 edition of the NSAI’s Estimated Population of Afghanistan report.

STUDY MANAGEMENT

In order to manage the study effectively, the AWCCI assigned a National Coordinator who worked under the supervision of AWCCI leadership. The National Coordinator oversaw the following activities:

- Organize FGDs and KIIs
- Record data gathered from FGDs and KIIs
- Ensure that methods for data collection are consistent across all provinces
- Draft the text for the WNBA report
- Hold bi-weekly coordination meetings

At the regional level, each of the AWCCI zonal offices located in Herat, Balkh, Nangarhar, and Kandahar managed the data collection process as per the guidelines from the National Coordinator. At the provincial level, the AWCCI assigned two provincial coordinators who identified participants for FGDs and KIIs, arranged the times and places to meet, and conducted the sessions.

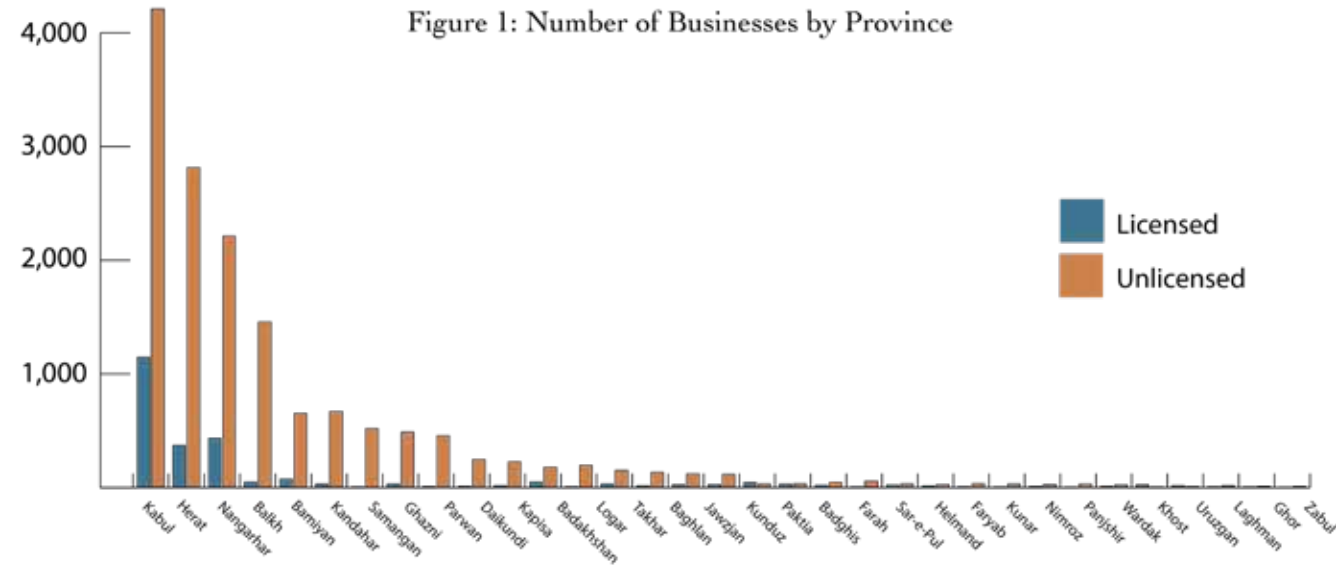
OVERVIEW OF WOMEN-OWNED BUSINESSES

As a major component of this study, the AWCCI research team worked to organize and analyze the information contained in the Chamber’s national database of women-owned businesses. It must be acknowledged, at the start of this section, that the information available for analysis is not sufficient to make conclusive statements about the cause of certain trends in the data. Additional context will be provided,

though, to help the reader understand the unique situation of women in Afghan society.

Prior to presenting the facts and figures extracted from the database, it is important to review the source for this data and the data points that are available from each source.

As of the publication of this study in March



2021 the database contained 56,910 entries of women-owned businesses in Afghanistan. Of this total, the AWCCI has collected detailed information on 17,639. Since 2015, AWCCI researchers have contacted women business owner to ask a series of questions related to their sector, education, source of startup capital, age of business, and use of social media. It is the responses to these questions, from the sample of 17,639 businesses, that are detailed below.

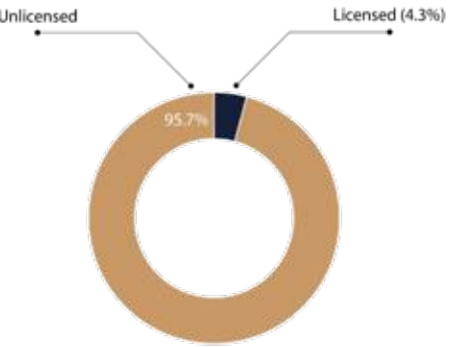
The information on the remaining 39,274 businesses was provided to the AWCCI by various development and microfinance entities. The information on these 39,371 businesses includes the name of the business owner, the sector in which they are working, and their licensing status. As it happens, all of these 39,274 businesses are unlicensed micro and small businesses.

Figure 1 shows how the 17,639 businesses examined in this report are distributed over Afghanistan’s 34 provinces.

LICENSING STATUS

Looking at the core data set of 17,639 businesses for which the AWCCI has detailed information, the overwhelming majority, 95.7 percent, are unlicensed. Repeating the caveat stated in the introduction to this section, we cannot make any definitive claims about causation, but we can speculate that if the licensing process was easily accessible, and the possession of a license had clear benefits, there would be a higher number of women-owned businesses that would join the formal economy. We hope that this study

Figure 2:  
Licensed vs. Unlicensed Businesses

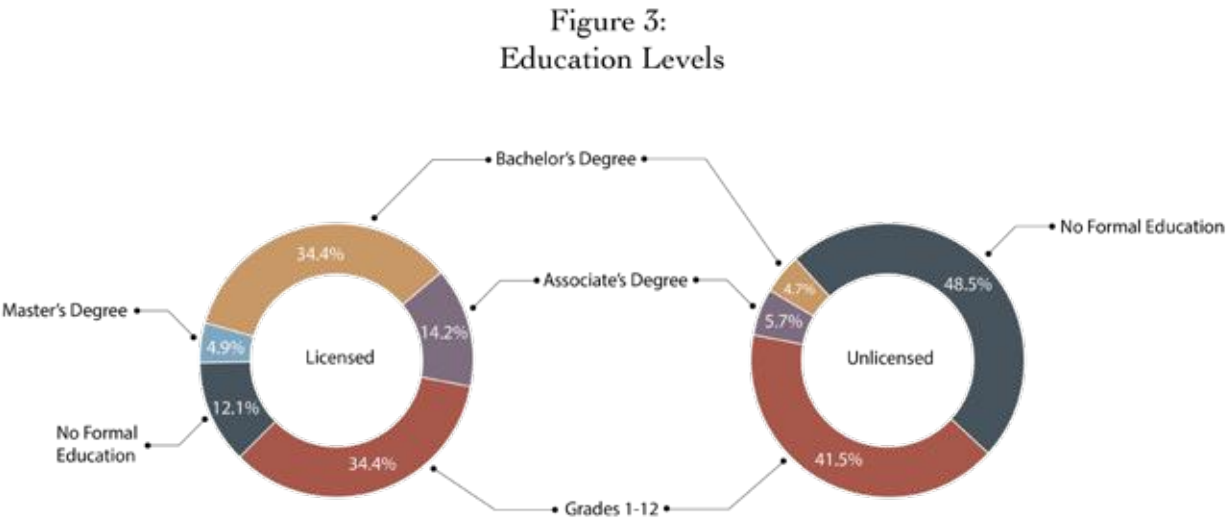


will inspire further research into the obstacles women face in licensing their enterprises and why so many have chosen (or been forced by circumstances) to forgo a business license.

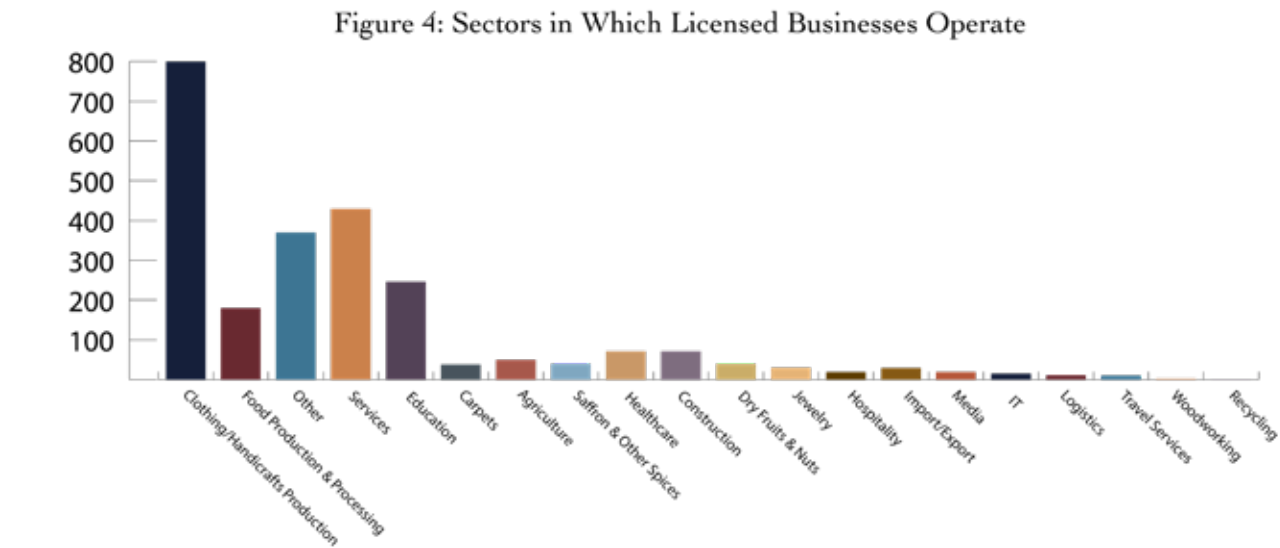
EDUCATION LEVEL OF WOMEN FOUNDERS

The database reveals a significant education gap between the women owners of licensed vs. unlicensed businesses. Over half (53.5 percent) of licensed business owners had undertaken some form of higher education, compared to just 10.4 percent of unlicensed business owners. On the opposite end of the spectrum, only 12.1 percent of licensed business owners had not completed any formal education, compared to 48.5 percent of unlicensed business owners.

When this educational data is viewed alongside the sectoral data (Figures 4 & 5), the profile of the average owner of a licensed vs. unlicensed business owner comes into focus.







**SECTORAL OVERVIEW**

In parallel to the education gap, there is a deep divide between licensed and unlicensed businesses in terms of the sectors in which they operate. Licensed businesses are represented in all 19 sectors that the AWCCI tracks, with the three most dominant sectors being clothing/handicrafts production (32.4 percent of all licensed businesses), services (17.4 percent), and education (10 percent).

In contrast, unlicensed businesses are only represented in 11 of 19 sectors, with the vast majority concentrated in clothing/handicrafts production (76.1 percent of all unlicensed businesses) and food production and processing (19.9 percent).

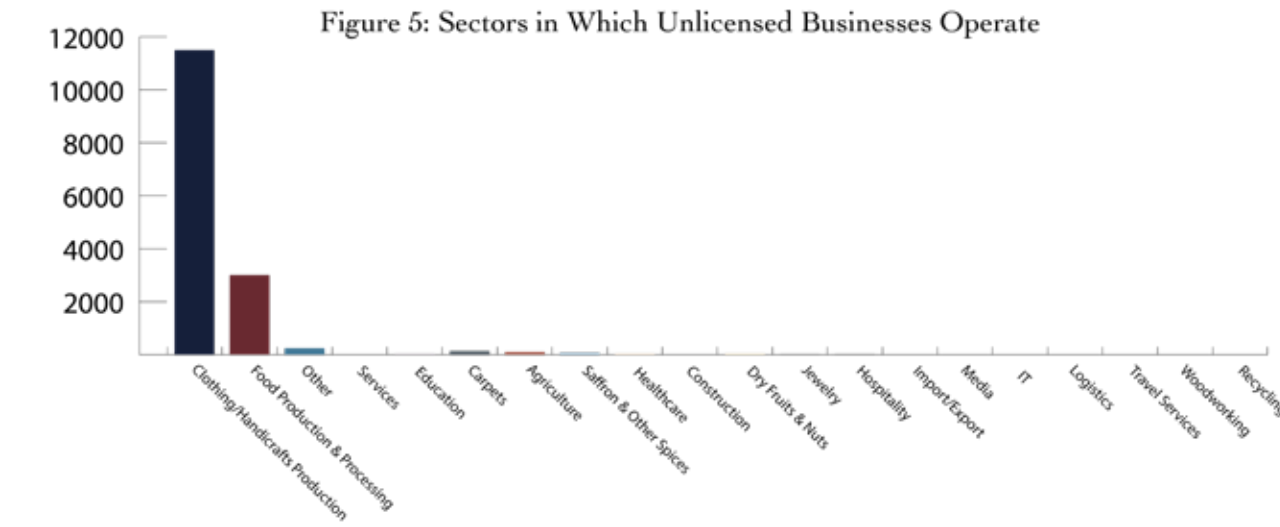
While the better educated women-owners of licensed businesses are operating in a range of high-skill sectors, the far less educated unlicensed businesses owners are mainly engaging in low-skill, small-scale production

activities, likely in their own homes.

**SOURCES OF STARTUP CAPITAL**

In contrast to the data on education and sectors, there is no significant disparity between licensed and unlicensed businesses when it comes to their sources of startup capital. Both groups drew heavily on personal savings to fund the launch of their businesses, to the tune of 89.8 percent of licensed businesses and 71.2 percent of unlicensed businesses. Interestingly, unlicensed business owners were more likely to receive bank loans than their licensed peers (5.5 percent compared to 2.9 percent) and more likely to receive some type of grant from a development program (17.7 percent compared to 1.3 percent).

More research must be done on the issue of access to finance. Without the ability to compare the presented data above with a parallel set of data for men-owned businesses, it is impossible to determine if Afghan businesswomen are more



or less likely than men to benefit from lending and grant programs. We do know from the focus group discussions and key informant interviews that Afghan businesswomen do want more access to finance, and this issue is discussed further in the National-Level Challenges & Solutions section.

**AGE OF BUSINESS**

As with startup capital, there are no dramatic differences between licensed and unlicensed businesses when it comes to age of business. For both categories, around a quarter (24.8 percent and 27.9 percent, respectively) had been launched in the last three years. In the remaining two age categories, more unlicensed businesses were between four and five years old, while more licensed businesses were six years or older.

The broader observation is that unlicensed businesses are younger than their licensed counterparts. This may suggest that female entrepreneurship is becoming more accepted within households in the rural and/or underdeveloped communities where unlicensed businesses are concentrated.

**USE OF SOCIAL MEDIA PLATFORMS**

The socio-economic divide between licensed and unlicensed businesses is visible once again in the data on social media use within each group. Licensed businesses are six times more likely to use social media platforms for marketing and business development as compared to their unlicensed peers (64.6 percent vs. 10.6 percent). This disparity is likely the result of a combination of several factors, to include availability of telecommunications services, cost of telecommunications services, and digital literacy.

Figure 6: Sources of Startup Funding

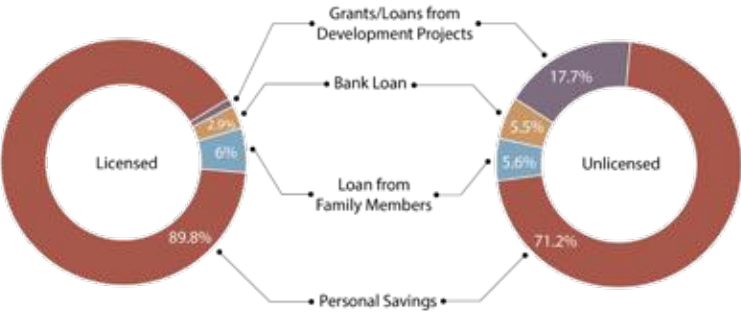


Figure 8: Utilizes Social Media

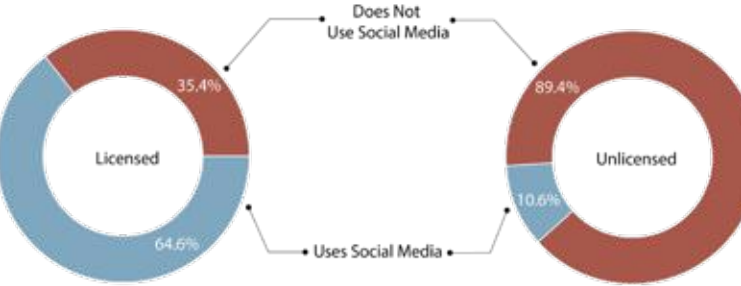
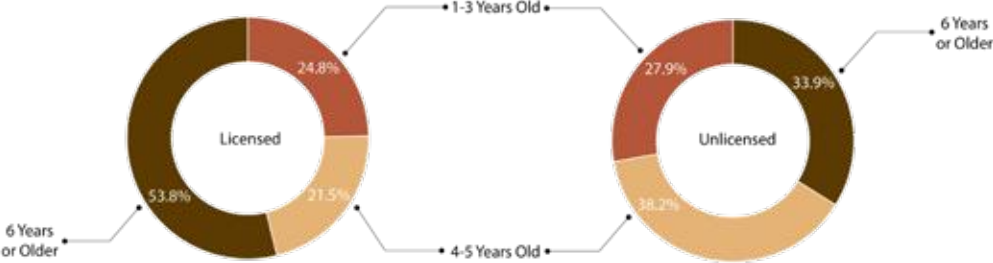


Figure 7: Age of Business





# NATIONAL-LEVEL CHALLENGES & SOLUTIONS

At the heart of the WNBA initiative is the documentation of various challenges faced by Afghan businesswomen and the potential solutions to address them. These challenges were initially documented through the FGD and KII process, after which discussions took place between AWCCI leadership and the project research staff to decide which challenges should be highlighted in this chapter. While the decision-making process was admittedly subjective, two questions were considered by all parties involved in order to reach a consensus:

- Was the documented challenge relevant to businesswomen in many or all provinces?
- Was the documented challenge significantly critical as to warrant the attention of various stakeholders?

## SECURITY AND SOCIO-CULTURAL TABOOS

Two of the major barriers to women working outside the home are security and socio-cultural taboos. A lack of security often leads families to impose restrictions on women’s movement outside of the home. A socio-cultural taboo that exists in some (but not all) Afghan communities is the perception that women working outside the home dishonors or disgraces the family, with an associated loss of status of male relatives within the community.

Solutions and recommendations to address these two issues require the attention of the Afghan Government as well as non-government stakeholders. The national Government and international partners in Kabul should ensure that sub-national provincial and district governments are committed to improving security in their area and are proactively promoting the right of women to work outside the home. Their communication and messaging should be contextual and socially appropriate.

We also recommend that Government offices across Afghanistan be made as women-friendly as possible. What this means in practice is designating areas within Government facilities as ‘women-only’ spaces where female staff provide services to women petitioners. The AWCCI was able to successfully lobby for this measure to be implemented at the business

licensing and tax offices in Kabul in 2018, and we believe that the expansion of this system will alleviate some reservations of aspiring businesswomen (and their family members) in conservative regions of Afghanistan.

## INFRASTRUCTURE

Poor infrastructure increases the cost of doing business in Afghanistan. At present, serious shortcomings exist in the areas of electricity supply, industrial zones, transportation networks, telecommunications, and banking services. These shortcomings add significant additional costs for all businesses in Afghanistan but are particularly destructive to micro and small women-owned businesses that typically operate with razor-thin margins and minimal cash reserves.

Improving infrastructure has long been one of the Government’s major priorities, but progress is taking place at a snail’s pace. The Government must work in partnership with the private sector to increase Afghanistan’s electricity supply and construct industrial zones. Privatization of industrial zones is one of the options to pursue, as well as the Public Private Partnership (PPP) model. The Government must also provide incentives such as tax holidays, tax reductions, and tax credits to promote the spread of telecommunications and banking services to all provinces of Afghanistan.

## CORRUPTION

Corruption at various levels has contributed to the failure of countless micro and small women-owned businesses. The ambiguous and lengthy process to acquire land, comply with the tax regime, and clear customs (among other areas of concern) has created the space for corruption to thrive.

This document proposes the following steps to reduce the corrosive impact of corruption:

**Streamline business licensing processes:** While counter-productive capital requirements for businesses licensing were thankfully removed in December 2020, many problematic areas of business licensing must still be addressed. These include the following:



- Requirement to visit multiple Government offices, over the course of several days, in order to obtain a license
- Requirement to present an office rental contract and pay taxes on said contract, even for small and micro businesses operating out of the home
- No option to prepare part or all of the application online
- Lengthy process to formally shut down a company, which often entails paying severe tax penalties if the business was not submitting monthly, quarterly, and annual tax paperwork (even while inactive)

**Eliminate sectoral licences:** All business licensing processes must be brought under the umbrella of the Afghanistan Central Business Registry (ACBR), as soon as possible, where activities can be more easily standardized and monitored. This includes licenses for small retail shops, restaurants, and home-based micro and small enterprises.

The ACBR is the flagship business licensing agency in Afghanistan, operated by the Ministry of Industry & Commerce. Unfortunately, the word “Central” in the ACBR’s name is not

SONA MAHMOODY, FOUNDER  
OF RUMI TRADING, EXAMINES A  
PACKAGE OF AFGHAN SAFFRON

accurate, as a number of Afghan Government entities are involved in business licensing. These entities range from the Ministry of Mines & Petroleum (issuing licenses to mining interests) to the Ministry of Information & Culture (issuing licenses to media production agencies) to various municipalities (issuing licenses for retail outlets and small production workshops). Each Government entity issuing business licenses is able to impose their own business licensing requirements at the whim of whoever is in charge of licensing at the time, and this creates the space for corruption to thrive.

**Reduce Business Receipt Tax (BRT):** The BRT must be reduced from four percent to two percent for micro and small women-owned businesses. Additionally, the process should be amended to allow women more time to submit paperwork along with basic technical support from Afghanistan Revenue Department staff to minimize errors in tax filings.

**Improve Customs Clearance Procedures:** The Ministry of Finance should improve customs and tariffs processes by reducing the number of steps involved to clear a consignment for import or export. At present, both male and female business owners face tremendous delays in processing exports, especially when it comes to imported goods.

**Open up the National Procurement Authority (NPA) to Micro and SME Bidders:** The NPA must do more to open up its procurement process to women-owned MSMEs, specifically those from the provinces and rural areas. Information on the Afghan Government procurement laws, gender-related preferential clauses, and other items must be made public and be widely promoted through videos published online and posters installed in Government offices.

**Increase capacity of Government employees:** The Government must increase the capacity of its employees to be proficient in providing services to citizens and businesses. Often critical documents will not be processed at Government offices due to the lack of proficiency of the employees on duty, which results in the need to



contact higher-level officials to intervene. The cost of such intervention may be paid in social capital (if one has it) or literal bribes.

**CAPITAL**

Businesswomen across Afghanistan expressed frustration over the difficulty obtaining capital to cover startup or expansion costs. This issue exists for both rural and urban businesswomen, and the data from the AWCCI’s database of women-owned businesses indicates that licensed (vs. unlicensed) business owners were actually marginally less likely to obtain loans from lending institutions.

The issue of access to capital can be addressed in a number of different ways, several of which are listed below:

**Grants from international donor organizations:**

While there are a number of legitimate criticisms of grants as a means to support economic development, the need to overcome severe social and economic disadvantages that Afghan businesswomen face may outweigh the negative aspects of grant-giving.

**No-interest loans:** The AWCCI, its donors and other stakeholders such as provincial-level community organizations should pool resources to create no-interest microfinance lending programs. The impact of these programs can be further enhanced with capital contributions from development partners. For example, international partners can contribute \$1 for every \$1 women contribute to the Loan Fund.

**Women-friendly and Sharia-compliant loan products:** The AWCCI and other stakeholders must continue advocating to banks and microfinance lending institutions to develop loan products that are accessible to women-owned MSMEs. Ideally, Sharia-compliant options will be available as well, thereby making the loan more accepted by businesswomen from conservative communities. Sharia-compliant financial products are those that do not charge interest, which is Haram (forbidden) in Islam.

**MARKETS**

Afghan women producers experience a number of difficulties reaching buyers on a local, national, and international level. Businesswomen in provinces across Afghanistan reported to the

AWCCI that they do not have suitable locations for selling their products and attracting women consumers. Looking beyond local sales, trade exhibitions (both national and regional) are not offering the same level of benefit for Afghan women producers as they do for their male peers. Afghan businesswomen face a host of social and financial obstacles in order to participate in these trade exhibitions, making it especially disheartening to hear that the resulting sales from such events are often lower than what was expected. In general, Afghan businesswomen produce a range of products that are in-demand internationally, but they have difficulty connecting with international buyers.

These issues related to access to markets can be addressed in the following ways:

**Establishment of provincial women’s markets:**

At present, there are women’s markets in 12 provinces. The AWCCI has developed a reform and rebranding plan for these markets and a phased strategy to launch more women’s markets in other provinces. The AWCCI has signed a Memorandum of Understanding with the Ministry of Women’s Affairs and the Ministry of Urban Development & Land as one of the first steps in this process. More work must be done with the Ministry of Women’s Affairs and the Ministry of Industry & Commerce to lobby provincial Governments to allocate suitable real estate for women’s markets. The objective is to see fully functional women’s markets in all provinces by 2025.

**Exhibition training:** Improving results for Afghan businesswomen at national and regional exhibitions can be achieved through a program of training in marketing, online communications, and contract negotiations. The AWCCI and other stakeholders must plan and implement such training ahead of every major national and regional trade exhibition in which Afghan businesswomen are participating.

**Online sales:** The AWCCI must continue its effort to develop the Made by Afghan Women website as an instrument to promote the sales of Afghan women-made products to international buyers. Additionally, the AWCCI should form partnerships with Afghan online sales platforms to create dedicated sections on their websites



HASINA ZAEEFI, FOUNDER OF AKAAM ZAEEFI GROUP OF COMPANIES, WITH A PACKAGE OF ASSORTED DRIED FRUITS

and smartphone applications for women-made products. In order to facilitate online sales, the Central Bank must move forward and launch an e-commerce gateway in Afghanistan to allow banks to process online payments. Finally, the ongoing efforts to modernize the Afghan postal system must be expedited to allow the reliable and cost-effective delivery of orders to both domestic and international buyers.

**CAPACITY**

Across Afghanistan, women have less access to education and less professional experience than their male peers. This deficiency in knowledge manifests itself in a number of capacity shortcomings among Afghan women-owned businesses. Many of the women owners of micro and small businesses have minimal awareness of foundational business skills such as financial accounting, marketing, and operational management. On a more technical level, many women producers are not able to meet the quality expectations of domestic consumers, let alone international consumers. For those that are, the lack of cost efficiencies during production often results in non-competitive pricing.

These shortcomings in capacity can be addressed in the following ways:

**Foundations of Business Training:** It has long been an objective of the AWCCI to offer a regular schedule of business short courses for micro and small women business owners in foundational business skills. To make this a reality, AWCCI requests funding from national and international donors for both instructors and travel grants for provincial businesswomen. Training programs must be accompanied by hands-on mentorship and coaching.

**Technical Assistance:** The AWCCI and other stakeholders in Afghan women’s economic development must identify candidate businesses for technical assistance and plan/implement training programs. As often as possible, the AWCCI must plan and implement networking and exposure trips for businesswomen, especially for provincial businesswomen.





Financial support from the international donor community will be necessarily to make this possible.

#### **GOVERNMENT PROCUREMENT**

Afghan women-owned SMEs are often disqualified from participating in bidding on Government contracts due to steep requirements in the areas of business age and annual turnover. The result (and perhaps the intent) of these requirements is to keep Government contracts in the hands of a small number of politically connected companies. After extensive engagement with the Government in 2018, the AWCCI was able to secure a five percent preferential scoring clause inserted in the National Procurement Procedure. While a number of Government contracts have been issued to women-owned businesses since then, these contracts represent a miniscule fraction of the total.

Ultimately, the preferential scoring is irrelevant if women-owned companies are disqualified from bidding altogether by the Request for Proposal (RFP) / Request for Quotation (RFQ) Terms of Reference. The AWCCI calls on stakeholders to advocate to the Afghan Government and the National Procurement Authority (NPA) to replace the preferential treatment with a 10 percent quota for women-owned businesses. Monitoring by the AWCCI

and others must take place to ensure that the quota system is faithfully implemented and bad actors are not attempting to game the system.

#### **ADVOCACY**

The FGDs and KIIs conducted during the course of this study showed that the vast majority of businesswomen questioned were not involved in advocacy activities on behalf of women-owned businesses. As a result, many of the issues specific to their province were not being addressed.

The FGDs and KIIs also revealed that the vast majority of women business owners were interested in engaging in advocacy, if guided on how to do so. With this in mind, the AWCCI recommends that courses be developed in advocacy and leadership, with a corresponding effort to organize provincial-level committees/associations of businesswomen. The Afghan Government must recognize these committees and create space for them to participate in provincial development councils.

#### **MARGINALIZATION**

One of the most pervasive trends across the provincial FGDs and KIIs was the perception among businesswomen that they were being ignored or overlooked by the Afghan Government, the development community, and

#### **PAGE RIGHT: PRODUCT DEVELOPMENT AT THE TAYEB HASHIMI JEWELRY COMPANY**

even by the AWCCI itself. These concerns are not without merit.

In the area of Government services, 10 Afghan provinces currently lack provincial business licensing facilities, thereby necessitating arduous (and often dangerous) trips to the nearest province where a licensing office is located. While this issue affects both men and women who wish to operate a business in the formal economy, it is likely more difficult for women to take leave from the duties of their households to make the cross-provincial trip to appear in-person to apply for a license.

Looking at national and regional trade exhibitions, Afghan businesswomen in general have low levels of representation. Among provincial businesswomen, the level of representation is almost non-existent. Businesswomen operating in Afghanistan's rural, least developed provinces face a number of significant challenges that have led to low rates of participation in national and regional trade exhibitions. These challenges include relatively high costs for transportation and exhibition fees, social taboos about women travelling for business (especially without a male family member), and the simple lack of knowledge about the existence of these exhibitions and how to register.

And finally, development programs implemented by the Afghan Government and international development agencies often ignore hard-to-reach provinces in favor of more accessible urban economic centers.

The types of marginalization cited above can be addressed in the following ways:

**Expansion of business licensing facilities to all provinces:** The AWCCI must continue to advocate to the Ministry of Industry & Commerce to fulfil its national mandate and inaugurate licensing facilities in all remaining provinces where they do not exist.

**Proactive measures to increase exhibition inclusivity:** The AWCCI must expend all necessary effort to make national and regional trade exhibitions as inclusive as possible for provincial businesswomen. This can include

(but is not limited to) creating a fund that can be used to sponsor the travel of provincial businesswomen, arranging group travel for provincial businesswomen to assuage family concerns, and finally ensuring that zonal AWCCI offices disseminate information on exhibition schedules and instructions on how to register. In order to do this, provincial governments and provincial offices of other business chambers must cooperate in sharing information about exhibition-related opportunities.

**Proactive measures to include provincial businesswomen in development programming:** The AWCCI and other stakeholders in Afghan women's economic development must encourage and support the inclusion of provincial businesswomen in development programming. If development entities lack the networks to reach businesswomen in rural provinces, the AWCCI can make its own provincial staff available to disseminate information about opportunities to local businesswomen.

#### **BUSINESS LICENSING**

As the analysis of the women's business database clearly shows, business licensing was problematic, for one reason or another, for the vast majority (95.7 percent) of the women-owned businesses in the sample pool. While one reason for remaining unlicensed may be the financial benefits of operating in the informal economy, the KIIs and FGDs revealed that another reason is the licensing process itself. While the removal of capital requirements for small and medium-sized businesses in December 2020 was a promising step, more work must be done on this issue. The implementation of e-licensing services would narrow the space available for corruption to take place, while also addressing the issue of non-existent licensing facilities in a number of underdeveloped provinces. Consequently, the AWCCI and other stakeholders must advocate for the launch of e-licensing facilities.



BADAKSHAN

INTRODUCTION

Badakhshan is a mountainous province located in Afghanistan’s north-east corner. The oddly-shaped province was created to serve as a buffer between Czarist Russian and the British Empire in the late 19th century. In the present-day, Badakhshan shares long borders with Tajikistan to the north and Pakistan to the south. There is a short stretch of border to the far east with China, but this border is too remote to serve any practical trade purpose. Badakhshan is famous for its rich mineral deposits, particularly lapis lazuli, as well as its stunning mountain views and unexplored peaks. It is one of the few provinces in Afghanistan that has developed a viable tourist industry, although most foreign visitors prefer to enter through Tajikistan rather than taking the risk of travelling first to Kabul. The population of Badakhshan exceeds 1 million persons, with nearly 96 percent of the population living in rural communities. The agriculture sector is the largest source of income (employing 42 percent of the Badakhshi workforce), followed by services (31 percent), and manufacturing (27 percent). The adult literacy rate (aged 15-years and older) in Badakhshan is 28 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI national level database of women-owned businesses includes 29 licensed women-owned businesses in Badakhshan and 485 unlicensed businesses. The licensed businesses are distributed across nine sectors tracked by the AWCCI, the most dominant being services (17.2 percent), clothing production (17.2 percent), dry fruits and nuts (13.8 percent), food production and processing (13.8 percent), and logistics (13.8 percent). The unlicensed businesses are operate across six sectors, but are overwhelmingly concentrated in clothing/handicrafts production sector (87.4 percent) and education (11.3 percent).

In the area of startup financing, both licensed and unlicensed businesses relied on personal savings in order to launch their enterprises (83.8 percent and 94 percent, respectively). No licensed businesses were able to access funds from development programs, compared to 1.4 percent of unlicensed businesses. A relatively high number women-owned businesses in Badakhshan – 3.4 percent

of licensed businesses and 4.1 percent of unlicensed businesses – were able to take out loans from banks to use as startup capital.

The women owners of licensed businesses in Badakhshan were more educated than their unlicensed peers, but not by an overwhelming margin. 55.2 percent of licensed business owners had completed some form of higher education, as compared to 29.3 percent of unlicensed business owners. Over a quarter of licensed business owners (27.6 percent) had not completed any formal education, as compared to 36.3 percent of unlicensed business owners.

Licensed and unlicensed businesses were also very similar in terms of the number of years they had been operating. A slight majority of both licensed and unlicensed businesses had been established in the last five years (51.7 percent and 54.4 percent, respectively).

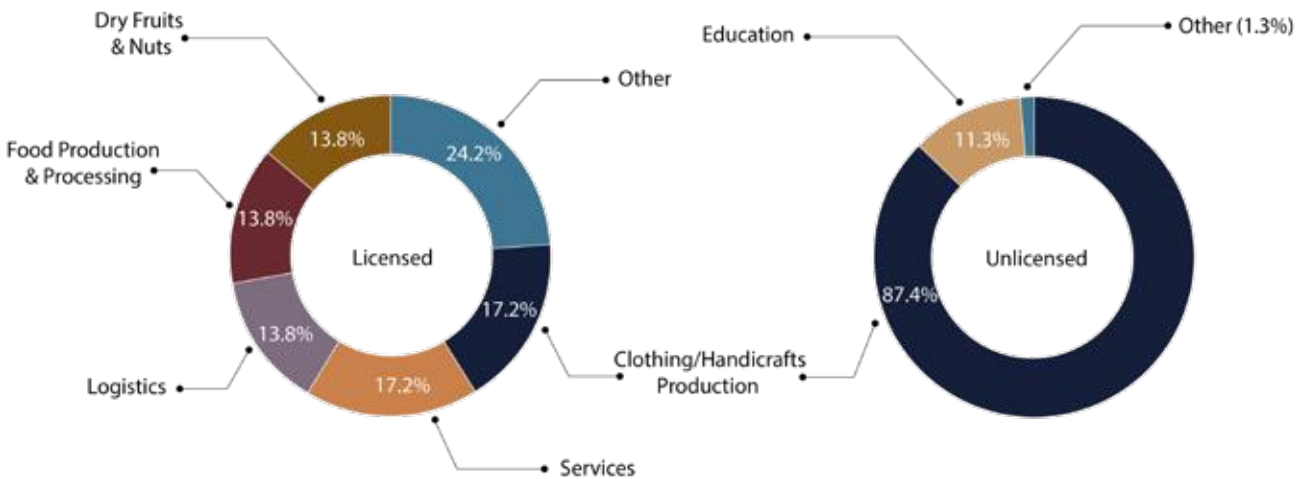
In contrast, the digital divide between licensed and unlicensed businesses was quite stark; only 4.5 percent of unlicensed businesses had utilized social media platforms to promote their businesses, as compared to nearly half (48.3 percent) of licensed businesses.

CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

In order to better understand the situation on the ground in Badakhshan province, the AWCCI engaged both provincial-level Government officials and 32 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Figure 9:  
Sectors of Operation [Badakhshan]



Capacity	
Challenges & Constraints	Solutions
<b>Lack of fundamental entrepreneurship knowledge:</b> Many aspiring women business owners in Badakhshan lack the basic knowledge necessary to launch a micro or small business. These skill deficiencies include financial planning, product development, marketing, and others.	These knowledge deficiencies can be addressed through training programs developed by stakeholders in Afghan women’s economic development, as well as exchange visits to other provinces to learn from and network with female peers operating in the same sector.
<b>Lack of technical skills in production:</b> Badakhshi businesswomen involved in the clothing and handicrafts production sector have difficulty keeping up with the ever-changing tastes of consumers.	The AWCCI can support Badakhshi women producers by matching them with mentors in more developed urban markets like Kabul and Mazar-i-Sharif. Ideally, a mentorship program would entail exposure visits allowing the mentee to see first-hand how a more experienced enterprise approaches the design process.



BADGHIS

INTRODUCTION

Badghis is a largely rural province located in north-western Afghanistan, sharing a border with Turkmenistan. The total population of the province is approximately 540,000 persons, of whom the overwhelming majority, over 96 percent, live in rural communities. 53 percent of the working population of Badghis is engaged in the agriculture sector, following by 24 percent in the services industry, and the remaining 23 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 17.4 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI’s database of women-owned businesses contains 59 entries for Badghis, of which 28.8 percent are licensed businesses and the remaining 71.2 percent are unlicensed. Both licensed and unlicensed businesses are concentrated in clothing/handicrafts production (64.7 percent and 85.7 percent, respectively), with the remaining entries distributed over several sectors.

All but two of the 59 businesses in the Badghis sample were financed using personal savings. Of the remaining two, one business received loans from friends or family, while the other was able to access some type of funding from a development program.

In terms of education, women operating licensed businesses were, on average, more educated than their peers operating in the informal economy. 35.3 percent of licensed business owners held bachelor or associate’s degrees, as compared to 19 percent of unlicensed business owners. Unlicensed business owners were also more likely to have never completed any formal education (31 percent) compared to licensed business owners (17.6 percent).

There is little variation among licensed and unlicensed businesses in the area of age of business. Aggregating both licensed and unlicensed businesses, 23.7 percent had been established within the last three years, 25.4 percent were between three and five years old, and 50.8 percent were six years or older

While internet connectivity in Badghis is not always reliable, 52.9 percent of licensed women-owned businesses have utilized social media platforms for the purposes of business development and marketing, along with 31 percent of unlicensed businesses.

CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

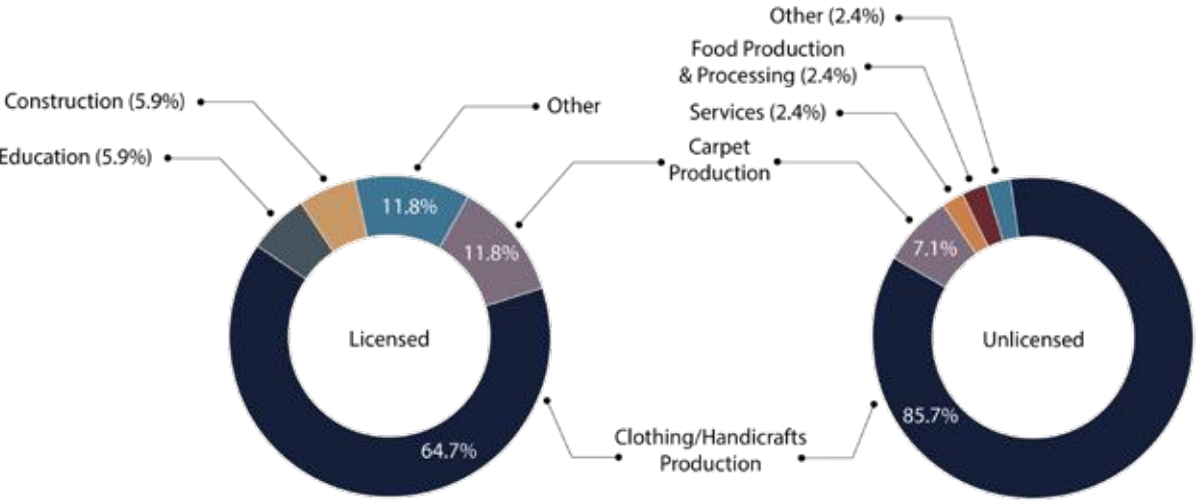
In order to better understand the situation on the ground in Badghis province, the AWCCI engaged both provincial-level Government officials and 68 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI

worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Government Services	
Challenges & Constraints	Solutions
<b>Obstacles to business licensing:</b> Badghis does not have a Department of Industry & Commerce (DoIC), thus necessitating aspiring business owners to make the trip to Herat City if they would like to license their businesses.	The MoIC operates offices for the Afghanistan Central Business Registry (ACBR) in 22 provinces. An expansion into the remaining 12 provinces is urgently required. Badghis is one that should be prioritized as it is a remote province and traveling to Herat is a long road journey.
Markets	
Challenges & Constraints	Solutions
<b>Lack of physical market:</b> The physical market in Badghis – located outside the provincial capital’s city limits – lacks electricity and other facilities that would allow for the smooth flow of commerce. Businesswomen from districts do not use this market due to security concerns, poorly maintained roads, and few transportation options.	A physical market located in an appealing area would help organize women from both the food production and processing sector and the clothing/handicrafts production sector. The AWCCI, with support from other partners and stakeholders, should advocate for support for the businesswomen of Badghis in organizing and collectively advocating for their own market area.
<b>Lack of online sales:</b> With limited internet connectivity, the businesswomen of Badghis have seen very little commercial benefit from the digital era.	Stakeholders such as the AWCCI, along with potential e-commerce partners in the private sector, should work together to connect women’s products from Badghis to both domestic and international buyers.

Figure 10:  
Sectors of Operation [Badghis]





BAGHLAN

Capacity	
Challenges & Constraints	Solutions
<b>Lack of support for emerging sectors:</b> While animal husbandry is a traditional area of labor and employment for the women of Badghis, an emerging sector is clothing/handicrafts production. Wool-dying has also shown promise as a sector that the women of Badghis could engage in commercially, as both business owners and employees. These sectors all face challenges that require the attention of the Afghan Government and development sector entities.	Wool-dying businesses should be connected to the carpet value chain with support from such high-profile initiatives as the National Export Strategy (NES), the Afghanistan – Competitiveness of Export-Oriented Businesses (ACEBA), and private sector actors who are investing in carpet production. Handicraft and tailoring capacity-building programs must be designed to help the women of Badghis improve their skills, product quality, design, and packaging, in order to make their products viable for the urban markets of Kabul and Herat City.
Advocacy	
Challenges & Constraints	Solutions
<b>Lack of organized advocacy:</b> At present, organizations that are mandated to support women-owned businesses, to include the AWCCI itself, are not organized or coordinated within the province. The result is a lack of understanding of the challenges that women-owned businesses face in Badghis, thereby making advocacy efforts even more difficult to pursue.	The international donors should support Badghis women business owners with coalition building, advocacy, leadership, and business management training so that they can gain the confidence to organize themselves. It is important that the businesswomen of Badghis organize themselves organically, without groups or associations set up by outsiders from Kabul and the other big cities. The AWCCI, with support from stakeholders, can help create an initial advocacy committee, but ultimately the businesswomen of Badghis must take ownership of the process.

INTRODUCTION

Baghlan province is located in north-eastern Afghanistan situated between Kunduz to the north and Kabul to the south. The population of Baghlan province is upwards of one million persons, of whom approximately 79 percent live in rural communities. The agriculture sector is the primary sources of income in Baghlan and employs 66.1 percent of the workforce. This is followed by employment in the services sector (27.2 percent of the workforce), and finally manufacturing (6.9 percent of the workforce). The adult literacy rate (15-years-old and older) is 29.9 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI’s national database of women-owned business includes 36 entries for Baghlan province. Of these, 11 are licensed businesses and the remaining 25 are unlicensed. The licensed businesses are distributed across six industries tracked by the AWCCI: clothing/handicrafts production, services, manufacturing, food production and processing, education, and construction. The unlicensed businesses are overwhelmingly concentrated in the clothing/handicrafts production sector (76 percent), with 20 percent of the businesses involved in food

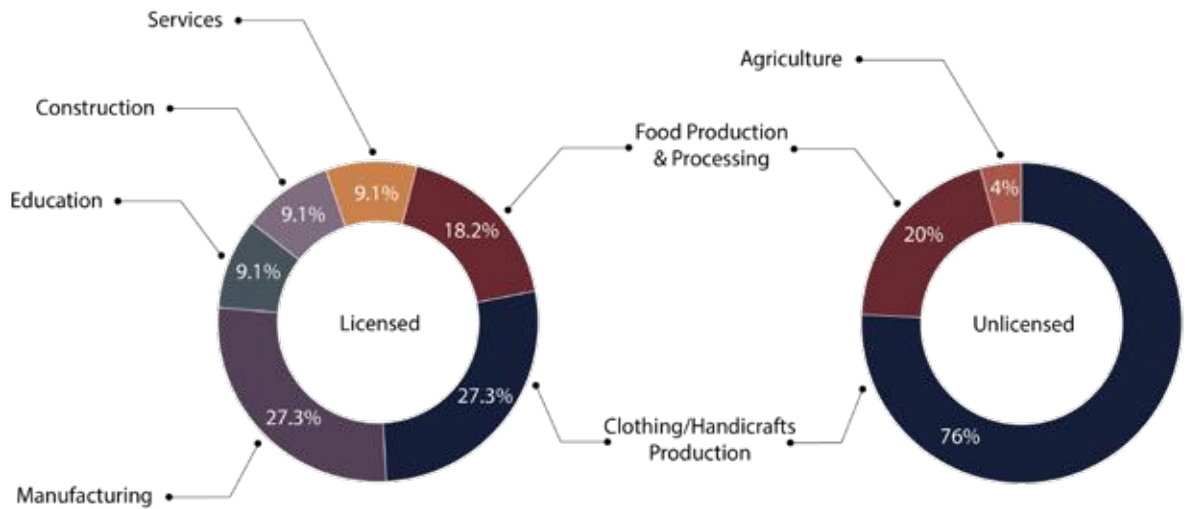
production and processing, and a single business operating in the agriculture sector.

The vast majority of both licensed and unlicensed businesses were funded with personal savings (72.7 percent and 84 percent, respectively). Four businesses (two licensed and two unlicensed) reported to the AWCCI that they had received loans from banks. One unlicensed business was launched with loans from relatives, and one unlicensed business had received some type of funding from a development sector program.

The licensed business owners had received significantly higher education than their unlicensed peers; 45.5 percent had completed some type of higher education compared to 16 percent of unlicensed business owners. On the opposite end of the spectrum, 36.4 percent of licensed business owners had not completed any formal education. This figure drops to 28 percent among unlicensed business owners, which is atypical of the pattern seen in most other provinces.

In line with trends in other provinces, the licensed businesses were more well-established than their unlicensed counterparts; 63.6 percent

Figure 11:  
Sectors of Operation [Baghlan]





of licensed businesses had been in operation for six or more years, compared to just 24 percent of unlicensed businesses. In the area of business development and marketing, 36.4 percent of licensed businesses have used social media platforms to promote their products and services. This figure drops by half, to 16 percent, among unlicensed businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Baghlan province, the AWCCI engaged both provincial-level Government

officials and 125 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>Lack of capacity building opportunities:</b> In Baghlan province, there is a lack of higher learning institutions, as well as few technical and vocational education training (TVET) programs.	The Ministry of Education (MoE), with support from its international donors, must support the provincial government to be proactive in encouraging private and public sector educational institutions to open up branches in Baghlan to meet growing demand.

BALKH

INTRODUCTION

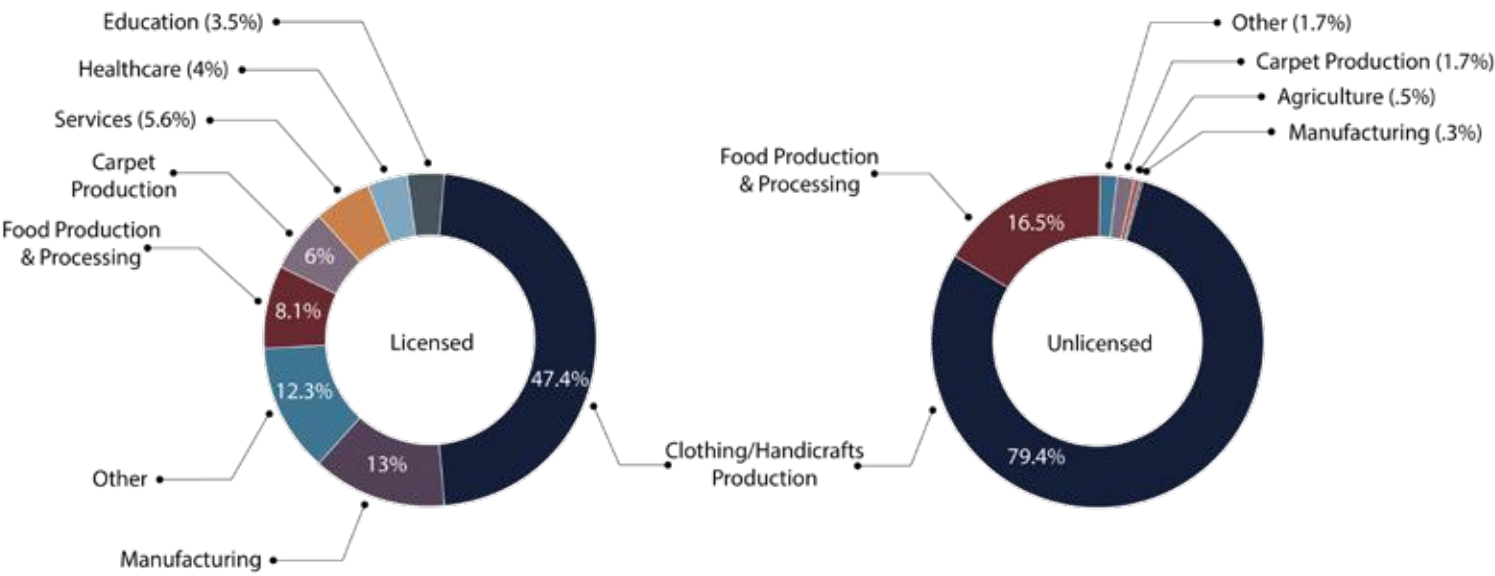
Balk province is located in Afghanistan’s far north, separated from Uzbekistan by the Amu Darya River. The provincial capital of Balkh, Mazar-i-Sharif, is one of Afghanistan’s major urban economic hubs, while the dry port of Hairatan is a critical gateway through which goods flow to and from Central Asia. Balkh province has a population exceeding 1.5 million persons, nearly 40 percent of whom live in urban communities. The services sector is the largest employer in Balkh (41.4 percent of the workforce), followed by agriculture (35.6 percent), and finally manufacturing (23.1 percent). The adult literacy rate (aged 15 years and older) is 37.9 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes 430 licensed women-owned businesses and 2,209 unlicensed businesses. The unlicensed businesses operate across 15 sectors tracked by the AWCCI, with the plurality (47.4 percent) working in clothing/handicrafts production. The unlicensed businesses were distributed across 10 sectors, with a large majority (79.4 percent) also engaged in clothing/handicrafts production.

95.3 percent of licensed businesses in Balkh were financed through personal savings. Of the remaining 4.7 percent, 1.6 percent were able to access capital through loans from banks, 2.3

Figure 12: Sectors of Operation [Balkh]



percent received loans from family members, and only .7 percent received funding from development programs. Among unlicensed businesses, a sizable majority (81.1 percent) had dipped into personal savings to use as startup capital, while 11.8 percent, had received development assistance. Atypically, 5.7 percent of unlicensed businesses had received loans from banks. The remaining 1.4 percent of unlicensed businesses had drawn on support from family members to obtain the requisite startup capital to launch their enterprise.

As conventional wisdom would suggest, the women owners of licensed businesses were more educated than their unlicensed peers. 40 percent of licensed business owners had earned either a bachelor or associate’s degree, as compared to 14 percent of unlicensed business owners. 21 percent of licensed business owners had not completed any formal education, with that figure more than doubling (to 46 percent) among unlicensed business owners.

Licensed businesses were moderately more well-established than their unlicensed counterparts;

49.5 percent had been in operation for 6 or more years as compared to 42.3 percent of unlicensed businesses. In the area of digital connectivity, 41.9 percent of licensed businesses reported to the AWCCI that they used social media platforms for business development and marketing. Among unlicensed businesses, the digital divide was more stark; only 9.9 percent of such businesses were operating in online spaces to increase sales or promote their services.

CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

In order to better understand the situation on the ground in Balkh province, the AWCCI engaged both provincial-level Government officials and 114 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.



Markets	
Challenges & Constraints	Solutions
<b>Lack of export capacity:</b> The businesswomen of Balkh have a generally low level of knowledge about the process of exporting their goods abroad. This is exacerbated by the lengthy and cumbersome process involved in acquiring an export license.	This challenge can be addressed by conducting export training for women business owners in Balkh supported by international donor organizations that are currently focused on increasing Afghan exports and build the capacity of Afghan exporters.
<b>Lack of information on national exhibitions:</b> While the businesswomen of Balkh are relatively more connected to national and regional commerce than their rural counterparts, they are still marginalized when it comes to participation in the various trade exhibitions that take place throughout the year.	Strong communication channels must be maintained between the Balkh office of the AWCCI and the AWCCI headquarters. The AWCCI headquarters must, in turn, be proactive about disseminating information on when national exhibitions are taking place and how to register.
Capacity	
Challenges & Constraints	Solutions
<b>Low capacity among women-owned businesses:</b> At present, many women-owned businesses lack the capacity to deliver quality products or services on a consistent basis.	The AWCCI must continue to engage with the businesswomen of Balkh in order to identify specific areas of weakness that could be addressed through capacity building programs. The AWCCI can then coordinate with stakeholders in the Afghan public sector and development sector to plan and implement appropriate training programs.
Social Discrimination	
Challenges & Constraints	Solutions
<b>Harassment of women in sales:</b> Women salespeople face harassment while promoting the products and services of their businesses.	The Balkh Department of Women's Affairs (DoWA) and the AWCCI must sign a Memorandum of Understanding (MoU) and collaborate jointly to work with development sector and civil society organizations in Balkh to promote public awareness about anti-harassment laws, domestic violence, and the right of women to join the workforce.

BAMIYAN

INTRODUCTION

Bamiyan (meaning ‘The Place of Shining Light’ in Persian) is located in the heart of Afghanistan’s Hindu Kush mountain range. While agriculture is the primary source of income in Bamiyan province (employing 70.6 percent of the workforce), farming is conducted in rugged conditions – 90 percent of the province is mountainous, with arable land and water resources in scarce supply. Besides agriculture, the workforce is divided between the services sector (employing 18.4 percent of the workforce) and manufacturing (employing 11 percent of the workforce). Of the total population of just short of a half million persons, the adult literacy rate (aged 15 years and older) is 40.9 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

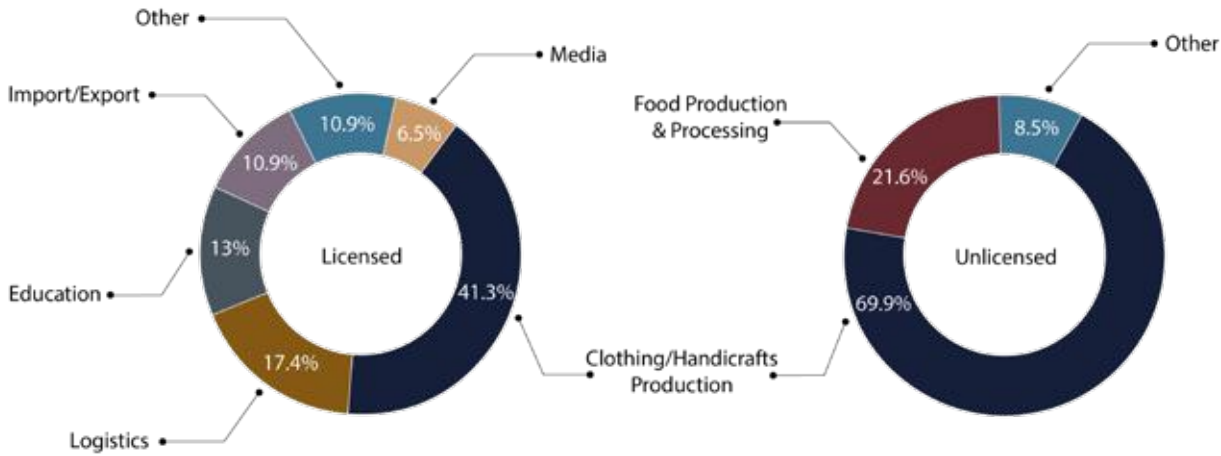
The national-level database maintained by the AWCCI includes 46 licensed women-owned businesses and 176 unlicensed businesses. The licensed businesses in Bamiyan are distributed across eight sectors tracked by the AWCCI, primary among them being clothing/handicrafts production (41.3 percent), logistics (17.4 percent), and education (13 percent). Unlicensed businesses are also represented in eight sectors, with clothing/handicrafts production and food production and processing

dominating (69.9 percent and 21.6 percent, respectively).

The vast majority of licensed businesses in Bamiyan were self-financed (82.6 percent of total). Only three had accessed capital from development programs, while five had acquired loans from relatives. Only three out of the 46 licensed businesses had accessed grants or capital through bank loans. In the case of unlicensed businesses, the sources of funding are slightly more diverse. While the majority of businesses, 61.9 percent, financed their businesses through personal savings, 16.5 percent were able to access funding through development programs, and 2.8 percent received loans from banks. The remaining 18.8 percent borrowed money from family members to use as startup capital.

Consistent with trends across Afghanistan, the level of education among the founders of licensed businesses in Bamiyan province is higher than those of unlicensed businesses. 39.1 percent of licensed business owners had completed some type of higher education, compared to 14.2 percent of unlicensed business owners. On the opposite end of the spectrum, 46 percent of unlicensed business owners had not completed any formal education, compared to 23.9 percent among licensed business owners.

Figure 13:  
Sectors of Operation [Bamiyan]





Licensed businesses were typically more well-established than their unlicensed counterparts, with a majority (60.9 percent) having been in operation for six years or more. In contrast, nearly three quarters (74.4 percent) of unlicensed businesses had launched in the last five years. In the area of business development and marketing, a modest majority of licensed businesses (54.3 percent) have used social media to promote their products and services. Only eight percent of unlicensed businesses reported to the AWCCI that they were active on social media.

**CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL**

In order to better understand the situation on the ground in Bamiyan province, the AWCCI engaged both provincial-level Government officials and 15 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds. Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<b>Lack of support for women retailers:</b> The occupants of the women’s market and women shop owners in general believe that they are not being supported adequately by the provincial Government, especially the Bamiyan City municipality.	The AWCCI, with support from its international donors, must design advocacy and leadership training for Bamiyan’s women-owned businesses in order to prepare them to engage with provincial and municipal officials to lobby for policies that support the women’s business community.
<b>Lack of promotion of Bamiyani handicrafts in domestic and international markets:</b> Bamiyan has a rich tradition of handicrafts production. These products are achieving minimal sales outside of Bamiyan province, due to a lack of promotion in larger Afghan population centers and international markets.	The AWCCI, with support from its international donors, must conduct an in-depth assessment of Bamiyan women’s handicrafts and their production capacity. Based on the findings, a strategy can be developed to both improve the quality of the handicrafts products and promote them at the national and international level.
Capacity	
Challenges & Constraints	Solutions
<b>Sector-specific support:</b> Bamiyan province is one of few Afghan provinces (Badakhshan being another) that has a viable tourist industry. At present, women are not widely represented in tourism activities.	Stakeholder’s in Afghan women’s economic development can examine different areas where more Bamiyani women can participate in tourism. One proposal that has already been voiced by Bamiyani women themselves is the establishment of a Women’s Ski Club. Technical support can be provided to determine the probability that such a business would be profitable.

## DAIKUNDI

**INTRODUCTION**

Daikundi is located in the mountainous region of central Afghanistan and is one Afghanistan’s most inaccessible and underdeveloped provinces. The population of Daikundi is upwards of 516,000 persons, all of whom live in rural communities. Agriculture employs 54.4 percent of the workforce, followed by manufacturing (23.2 percent), and finally services (22.1 percent). The adult literacy rate (aged 15 years and older) is 34.8 percent.

**OVERVIEW OF WOMEN-OWNED BUSINESSES**

The national-level database maintained by the AWCCI includes detailed information on 24 licensed women-owned business and one unlicensed business. The database also includes less detailed information for 180 additional unlicensed businesses, submitted to the AWCCI by development sector organizations and microfinance institutions. It is important to note that these 180 businesses are not covered in the overview of data below.

The 24 licensed businesses are distributed across six industries tracked by the AWCCI: dry fruits and nuts (25 percent), education (20.8 percent), clothing/handicrafts production (12.5 percent), food production and processing (12.5 percent), manufacturing (12.5 percent), and construction (4.2 percent). The remaining 12.5 percent are involved in industries not tracked by the AWCCI. The single unlicensed business

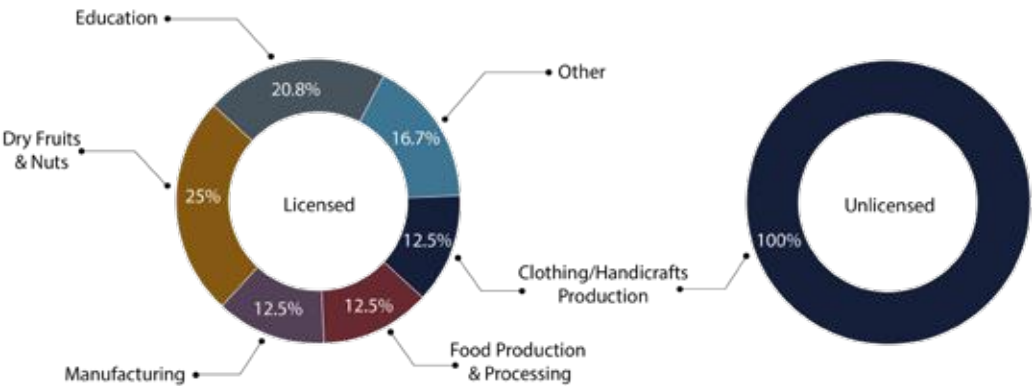
is engaged in clothing/handicrafts production.

The vast majority of licensed businesses in Daikundi are self-financed (83.3 percent). Of the remaining businesses, 8.3 percent received loans from family members, while the remaining 8.3 percent were able to access funding from development sector programs. The single unlicensed business was launched with personal savings.

The level of education among the licensed business owners of Daikundi is notably lower than the national average. Only 25 percent had completed any type of higher education, with over half (54.2 percent) having no formal education. The single unlicensed business owner had likewise not received a formal education.

Another area of divergence with the national figures is the age of the businesses within the Daikundi sample. The majority of licensed businesses (70.8 percent) were six years or older, indicating that less – not more – women in Daikundi were engaging in entrepreneurship over the last five years. The single unlicensed business was also recorded as being six years or older In the area of business development and marketing, less than half of licensed businesses (41.7 percent) have used social media platforms to promote their businesses. The single unlicensed business reported to the AWCCI that it was also not active on social media.

Figure 14:  
Sectors of Operation [Daikundi]





CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Daikundi province, the AWCCI engaged both provincial-level Government officials and 52 women business owners through focus group discussions (FGDs) and

key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds. Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Development	
Challenges & Constraints	Solutions
<b>Lack of general development activities:</b> Due to the difficulties travelling to Daikundi by both ground and air, the Afghan Government and its international development partners have done little to support the development of Daikundi province and help raise it out of extreme poverty. This negatively impacts all aspects related to the successful launch of a business, to include that amount of capital available in local communities, availability of formal lending options, access to markets outside of the province, lack of foundational and technical skills in business, and many others.	The marginalization of Daikundi businesswomen must be addressed by the AWCCI and other stakeholders in women’s economic development. The AWCCI must do as much as possible to connect with the businesswomen of Daikundi and give them the skills and the platform to advocate for a concerted development effort targeting the province.
Infrastructure	
Challenges & Constraints	Solutions
<b>Lack of internal and cross-provincial transportation networks:</b> Businesswomen in Daikundi reported having difficulties reaching consumers and suppliers outside of their own communities. This even applied to locations within their own province.	The provincial Government of Daikundi must prioritize the development of transportation networks within the province and to Kabul. They should improve roads from the districts to the capital of the province and to Kabul.
Capacity	
Challenges & Constraints	Solutions
<b>Lack of access to lending institutions:</b> There are few commercial banks and microfinance institutions operating in Daikundi. This deficiency is compounded by the difficulty reaching a major urban center to apply for a loan.	Lending institutions must be encouraged to open offices in underdeveloped provinces like Daikundi. The Government should study potential incentives for these lending institutions, considering that profit from lending in a province like Daikundi is likely to be minimal, and come with higher risks of default.

FARAH

INTRODUCTION

Farah is a largely rural province in southwestern Afghanistan, located just south of Herat province and sharing a border with Iran. The total population is upwards of 563,000 persons, of whom over 92 percent live in rural communities. The leading source of employment in Farah is the agricultural sector (64.5 percent), followed by the services sector (24 percent), and finally manufacturing (11.6 percent). The adult literacy rate (aged 15 years and older) is 24.6 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI’s national-level database of women-owned businesses includes seven licensed women-owned businesses in Farah province and 23 unlicensed businesses. The licensed businesses are involved in dry fruits production, education, healthcare, manufacturing, and agriculture. The unlicensed businesses are predominantly in the sectors of clothing/handicrafts production and food production and processing.

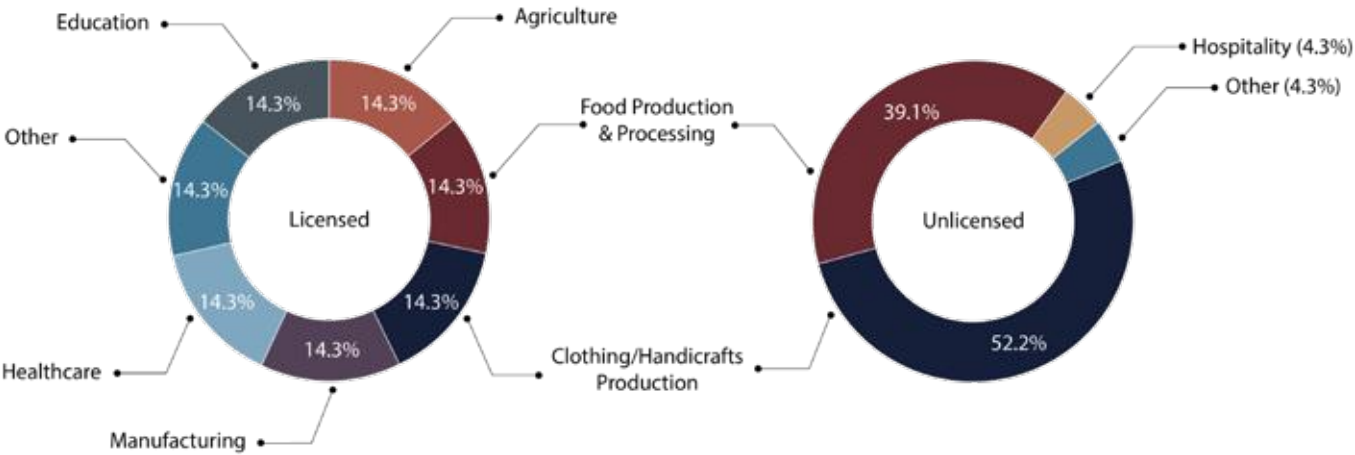
All but six of these 30 licensed and unlicensed businesses were launched with capital drawn from personal savings. The remaining six

businesses – all unlicensed – were able to secure loans from friends and family. A little more than a third (11 of 30) of the businesses in the database reported to the AWCCI that they used social media platforms as a part of their business development and marketing activities.

Of the 30 women business owners in the Farah sample surveyed by the AWCCI, nearly 27 percent reported that they had not completed any formal education. While this figure is in line with data collected from other rural provinces, one figure that is notable is the number of women business owners who had earned a bachelor’s degree. This percentage is nearly equal among licensed business owners (28.6 percent) and unlicensed business owners (26.1 percent).

In contrast to most other provinces, the licensed businesses in the Farah sample were less well-established than their unlicensed counterparts; only 28.6 percent had been in operation for six or more years, a figure that rises to 43.5 percent among licensed businesses. The licensed businesses were also less likely than unlicensed businesses to use social media platforms to promote their businesses (28.6 percent vs. 34.8 percent).

Figure 15:  
Sectors of Operation [Farah]





CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

In order to better understand the situation on the ground in Farah province, the AWCCI engaged both provincial-level Government officials and 37 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure

that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<b>Lack of a dedicated women’s market:</b> The absence of a physical market location for women-owned businesses in Farah currently limits their potential sales.	The AWCCI advises further advocacy targeting provincial and national Afghan Government officials to build support for the launch of a women’s market.
<b>Lack of inclusion in national and regional trade exhibitions:</b> Businesswomen in Farah struggle to participate in national and national exhibitions. There are a variety of reasons for this issue, to include the high financial cost of travel, high exhibition fees, and lack of information about exhibition schedules and registration procedures.	The best way to ensure the inclusion of women from rural provinces is to allocate them at least 25% of the slots designated for businesswomen at any national exhibition that is being organized by the Afghan Government. The MoIC, with the help of the AWCCI, must monitor progress in this area. The AWCCI can also work with donor agencies to create an exhibition participation and travel fund to help subsidize the cost of travel and registration fees.
Capacity	
Challenges & Constraints	Solutions
<b>Difficulty meeting domestic consumer expectations:</b> As in other provinces, consumers in Farah do not trust local products due to the perception of lower quality and higher cost.	Stakeholders in Afghan women’s economic development must support Afghan businesswomen in the areas of improving product quality and lowering retail prices by increasing cost efficiency in production. This can be done through sector-specific training programs designed to improve production methods, quality control, and packaging.

Government Services	
Challenges & Constraints	Solutions
<b>Obstacles to business licensing:</b> Farah does not have a Department of Industry & Commerce (DoIC). The consequence is that aspiring business owners must make the trip to Herat if they would like to license their businesses. Such cross-provincial travel is especially difficult for women, considering the concerns of family members over safety on the open road, as well as difficulty taking leave of household responsibilities. While Farah has a population of over a half million persons, the low number of licensed women-owned businesses suggests that the burden of traveling to Herat City for licensing is too great for most businesswomen to overcome.	The Ministry of Industry & Commerce (MoIC) has offices for business licensing in 22 provinces of Afghanistan. An expansion into the remaining 12 provinces is urgently required. Farah should be prioritized as it is a province bordering Iran.
<b>Limited mobility of goods:</b> The poor state of Farah’s transportation infrastructure is exacerbated by the deteriorating security situation.	Private sector associations must strongly advocate the Afghan Government to improve transportation infrastructure throughout the country. In Farah, the districts must be better connected to the provincial capital, with major highways connecting the provincial capital to Herat in the west and Kandahar in the south.
Development Assistance	
Challenges & Constraints	Solutions
<b>Lack of development sector support:</b> Development sector projects have largely overlooked Farah province. A marginal number of businesswomen in Farah province have accessed development aid of any kind in support of their enterprises.	The international donors and Afghan Government’s Ministry of Women Affairs (MoWA) must integrate advocacy trainings for the businesswomen of Farah to become more involved in advocacy directed towards the Afghan Government and national/ international NGOs. These businesswomen must receive the appropriate support in terms of building their skills and knowledge to enable them to carry out this advocacy. The Afghan Government (particularly the Ministry of Women’s Affairs) and private sector associations such as the AWCCI and others should draw attention to this issue with the objective of increasing support for businesswomen in rural and underserved provinces.



# FARYAB

## INTRODUCTION

Faryab province is located in Afghanistan’s far northwest and shares a border with neighbouring Turkmenistan. The population of Faryab exceeds 1.1 million persons, approximately 87.6 percent of whom live in rural communities. Agriculture is the primary source of employment in Faryab (engaging 44.4 percent of the workforce), followed by manufacturing (30.6 percent), and finally services (25.1 percent). The adult literacy rate (aged 15 years and older) is 20.7 percent.

## OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes detailed information on 42 licensed women-owned business 29 unlicensed businesses in Faryab. The AWCCI has general information on 554 additional unlicensed businesses in Faryab, provided by development agencies and lending institutions. It is important to note that these entries will not be covered in the overview below.

The licensed businesses in the provincial sample were distributed across eight sectors tracked by the AWCCI. Most of these businesses were concentrated in the clothing/handicrafts sector, representing 61.9 percent of the total. The unlicensed businesses operated in four sectors with most engaged in clothing/handicrafts production (55.2 percent) and carpet production (37.9 percent).

The vast majority of licensed businesses in Faryab were self-financed (88.1 percent). Only 7.1 percent had accessed bank loans, while 4.8 percent had borrowed money from relatives. The source of startup capital for unlicensed businesses was moderately more diverse, with 62.1 percent drawing on personal savings to launch their business, followed by loans from relatives (24.1 percent), bank loans (10.3 percent), and finally financial support from development agencies (3.4 percent).

Licensed business owners were more educated than their unlicensed peers, and by

a significant margin. 50 percent of licensed business owners had completed some form of higher education, compared to just 6.9 percent of their unlicensed peers. On the opposite end of the spectrum, over half (58.6 percent) of unlicensed business owners had not completed any formal education. This figure drops to 23.8 percent for licensed business owners.

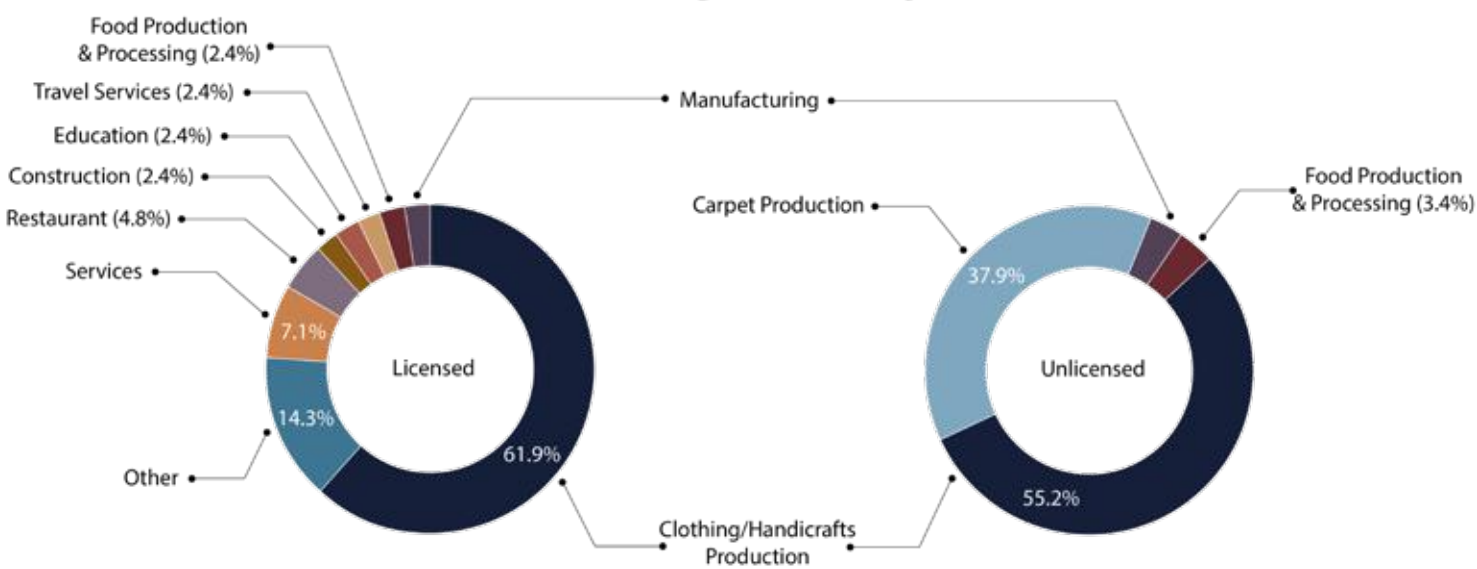
In contrast to the national sample, licensed businesses in Faryab were less well-established than their unlicensed counterparts. 78.6 percent of licensed businesses had been established in the last five years, compared to 58.6 percent of unlicensed businesses. Only 16.7 percent of licensed businesses utilized social media platforms to promote their businesses. This number drops to zero percent among unlicensed businesses.

## CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Faryab province, the AWCCI engaged both provincial-level Government officials and 75 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Figure 16:  
Sectors of Operation [Faryab]



Networking	
Challenges & Constraints	Solutions
<b>Lack of networking and exposure visit opportunities:</b> Considering Faryab’s location on Afghanistan’s periphery, the businesswomen of the Faryab have few opportunities to network with businesswomen in other provinces and see how they operate their companies.	The AWCCI and other stakeholders such the Ministry of Women’s Affairs, the Ministry of Rural Rehabilitation and Development, and the Faryab provincial government should do as much as possible to connect the businesswomen of Faryab with peers in neighboring provinces. This can be done by supporting their inclusion in all national trade exhibitions (where other Afghan businesswomen will be assembled), as well as networking and exposure trips with groups of Faryabi businesswomen.
Capacity	
Challenges & Constraints	Solutions
<b>Lack of business training opportunities:</b> The businesswomen of Faryab have few opportunities to receive training in fundamental business skills like financial accounting, marketing, and operational management.	The Government, national, and international organizations should take steps to develop and implement business training programs in Faryab to help businesswomen adopt standard business systems and methods.



Markets	
Challenges & Constraints	Solutions
<b>Lack of women’s market:</b> At present, there is no dedicated women’s market in Faryab’s capital of Maimana.	The businesswomen of Faryab must advocate for the allocation of suitable real estate in Maimana for a women’s market. The AWCCI and other stakeholders can assist with establishing contact with provincial and national Government institutions to facilitate this process.

GHAZNI

**INTRODUCTION**

Ghazni province is located in central Afghanistan, just southwest of Kabul province. Ghazni has a population of over 1.36 million persons, of whom approximately 94 percent live in rural communities. Key industries in Ghazni include handicrafts, tailoring, embroidery, wool spinning, carpet weaving, and dairy production and processing. In contrast to most other rural Afghan provinces, the services sector is the largest employer in Ghazni, providing income for 54.6 percent of the workforce. This is followed by agriculture, employing 31.5 percent of the workforce, and finally manufacturing, employing 14 percent of the workforce. The adult literacy rate (aged 15 years and older) is 40.8 percent.

**OVERVIEW OF WOMEN-OWNED BUSINESSES**

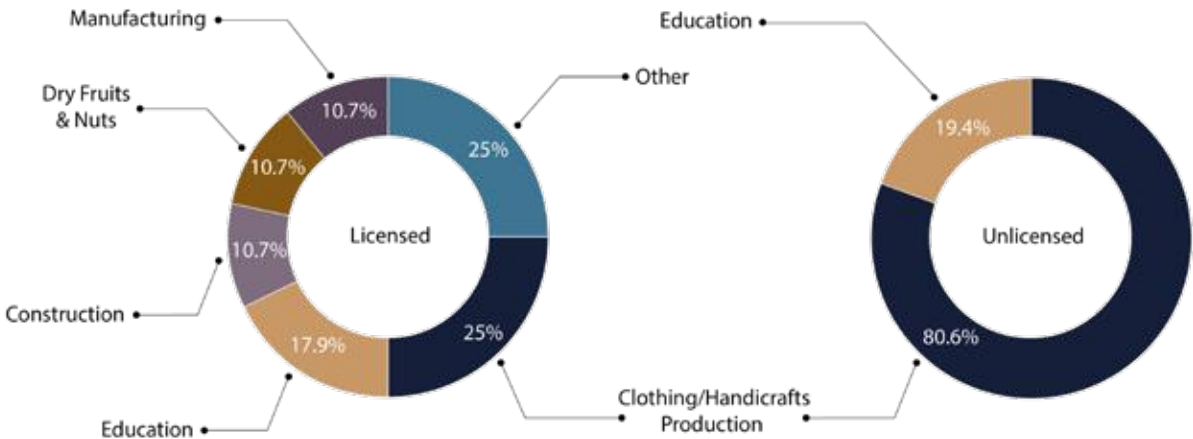
The AWCCI’s national database of women-owned businesses includes 59 entries for Ghazni, of which 28 are licensed businesses and 31 are unlicensed businesses. The licensed businesses operate across eight sectors tracked by the AWCCI, with clothing/handicrafts production and education standing out as the most dominant sectors (24 percent and 17.9 percent, respectively). The unlicensed businesses operate across just two sectors: clothing/handicrafts production (80.6 percent) and education (19.4 percent).

There were no notable differences between licensed and unlicensed businesses in the area of startup capital, and thus the two sample pools will be aggregated in this chapter. The vast majority of women-owned businesses in Ghazni were self-financed (79.6 percent). 10.2 percent of the businesses received loans from friends and family, 6.8 percent were able to access capital through development sector programs, and only 3.4 percent acquired loans from banks.

While the level of education of the founders of licensed businesses was higher than those of their unlicensed counterparts, the difference was not as dramatic as one might expect. Over half of the unlicensed business owners (54.8 percent) reported to the AWCCI that they had not completed any formal education, compared to 35.7 percent of licensed business owners. In the area of higher education, the difference between licensed and unlicensed business owners was more dramatic; 39.3 percent of licensed business owners had completed some type of higher education, compared to just 3.2 percent of unlicensed business owners.

A majority of both licensed and unlicensed businesses had been in operation for

Figure 17:  
Sectors of Operation [Ghazni]



six or more years (57.1 percent and 51.6 percent, respectively). In the area of business development and marketing, only 35.7 percent of licensed businesses reported to the AWCCI that they used social media platforms to promote their products or services. That number dropped to zero percent for unlicensed businesses.

**CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL**

In order to better understand the situation on the ground in Ghazni province, the AWCCI engaged both provincial-level Government officials and 52 women business owners

through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Government Services	
Challenges & Constraints	Solutions
<b>Inability to utilize provincial Government facilities:</b> The Ghazni City municipal government has backtracked on an earlier pledge to allow women to use space within the municipality headquarters building for economic development programming. Besides municipal facilities, there are few other options where women could gather safely to meet and organize.	The businesswomen of Faryab must advocate for the allocation of suitable real estate in Maimana for a women’s market. The AWCCI and other stakeholders can assist with establishing contact with provincial and national Government institutions to facilitate this process.



Markets	
Challenges & Constraints	Solutions
<b>Inaccessible women’s market:</b> At present, the women’s market in Ghazni province is located on the outskirts of Ghazni City. Women interviewed by the AWCCI report that is not easily accessible for women business owners or women consumers.	The AWCCI calls on the Ghazni municipality and the Department of Urban Development to allocate a more accessible piece of land for a women’s market within Ghazni City, in exchange for the existing women’s market.
Security	
Challenges & Constraints	Solutions
<b>Lack of security:</b> Among Afghanistan’s provinces, Ghazni is one of the most negatively impacted by the ongoing conflict between the Taliban and the Afghan Government. Ghazni is the last stop before arriving in Kabul by way of the Kabul-Kandahar-Herat Highway, consequently making it a strategic province for the Taliban. The provincial capital of Ghazni City has fallen into Taliban hands on several occasions before being reclaimed by Afghan security forces.	The status of security in Ghazni will – as with other strategic Afghan provinces – be determined by the success or failure of ongoing peace negotiations between the Afghan Government and the Taliban. Until a sustainable reduction in violence is agreed on between the two parties, Ghazni province will continue to face serious social and economic issues from the high levels of violence.
Capital	
Challenges & Constraints	Solutions
<b>Lack of access to capital:</b> Outside of personal savings and loans from friends and family, aspiring businesswomen of Ghazni have very few options to acquire startup capital to launch a business.	With support from international community, the AWCCI will continue to work with stakeholders in Afghan women’s economic development to develop microfinance products specifically tailored to the needs of micro and small women-owned and operated enterprises.
Discrimination	
Challenges & Constraints	Solutions
<b>Discrimination against women in business:</b> In Ghazni province, traditional views on the role of women in society has led to discriminatory behavior by Afghan Government officials.	Afghan Government officials operating at the national level must remind their provincial counterparts of the Government’s commitment to support women’s economic development, anti-harassment polices, and other workplace laws.

GHOR

INTRODUCTION

Ghor province is one of the least-accessible provinces in Afghanistan, with much of the province dominated by the Hindu Kush mountain range. Ghor is one of Afghanistan’s least productive provinces agriculturally, as much of the land is not arable and water resources are scarce. The crops that are farmed in Ghor are predominantly wheat, barley, potato, and beans. Besides agriculture, key industries include clothing/handicrafts production and timber. The adult literacy rate (aged 15 years and older) is 25.2 percent.

**OVERVIEW OF WOMEN-OWNED BUSINESSES**

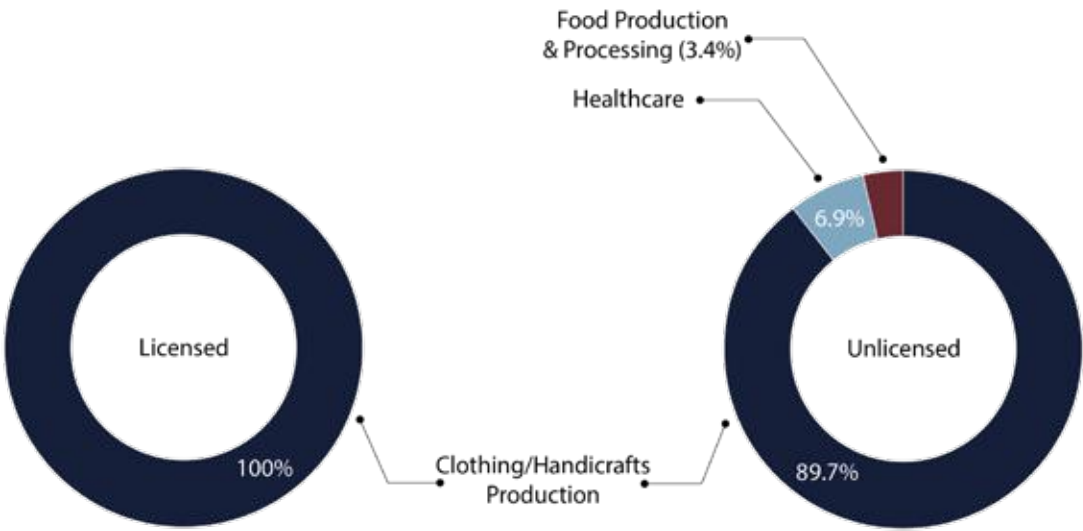
The AWCCI’s database of women-owned businesses includes two licensed businesses and 29 unlicensed businesses in Ghor. Within the database, Laghman is the only province with fewer licensed women-owned businesses.

Of the 31 businesses in the database, only one was able to access startup capital through a development program – the remaining 30 were launched using private savings. None had received a loan from a bank.

In the area of education, both of the women owners of licensed businesses had earned bachelor’s degrees. In contrast, 65.5 percent of the women owners of unlicensed businesses had not completed any formal education.

Both licensed women-owned businesses in the database reported to the AWCCI that they have used social media platforms for business development and marketing. Among the unlicensed businesses, none of them maintained a presence on social media.

Figure 18:  
Sectors of Operation [Ghor]





CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Ghor province, the AWCCI engaged both provincial-level Government officials and 185 women-owned businesses through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure

that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<p><b>Lack of physical markets:</b> The businesswomen of Ghor do not have a dedicated women’s market to sell their products.</p> <p>Moreover, the municipal government of the provincial capital of Firuzkoh does not allow businesswomen to use city parks to set up bazaars and exhibitions.</p>	<p>The AWCCI calls on the Independent Directorate of Local Governance (IDLG) and the provincial government of Ghor to allow businesswomen to make use of public parks. International partners can provide help to both the AWCCI and MoWA to improve conditions of the public parks for women, to include constructing women’s toilets and installing sunshades.</p>
<p><b>Lack of inclusion in national and regional trade exhibitions:</b> The businesswomen of Ghor have very low rates of participation in national and regional trade exhibitions. This is the result of a number of factors, to include insecure transportation networks connecting Ghor to larger cities, a lack of resources to fund travel expenses and exhibition fees, and the inability to compete with more standardized products produced in other more developed provinces.</p>	<p>The businesswomen of Ghor must advocate to the provincial and national governments to be included in planning considerations for national exhibitions. In order to compete nationally and regionally with other producers, the women-owned businesses of Ghor must be supported by the AWCCI and other stakeholders in Afghan women’s economic development in the area of industrial production and product quality control.</p>
Advocacy	
Challenges & Constraints	Solutions
<p><b>Lack of organized advocacy:</b> At present, the AWCCI is the only entity advocating for the interests of Ghorī businesswomen.</p>	<p>The effectiveness of the AWCCI’s advocacy can be enhanced with more participation of Ghorī businesswomen. The AWCCI must support the launch of an advocacy committee in Ghor, with training provided in advocacy and leadership skills.</p>

Government Services	
Challenges & Constraints	Solutions
<p><b>Obstacles to business licensing:</b> Ghor does not have a Department of Industry &amp; Commerce (DoIC), and thus no location for applying for a license. Businesswomen must therefore make the costly (and sometimes dangerous) trip to Herat if they would like to license their businesses.</p>	<p>The AWCCI will also urge the MoIC to expand its provincial service coverage to include all 34 Afghan provinces.</p>
<p><b>Lack of access to government facilities:</b> At present, the businesswomen of Ghor are not able to use Afghan Government facilities for training events and other activities. Considering the lack of alternative venues, this presents an obstacle to women’s economic development in Ghor.</p>	<p>Ministries such as the MoWA, the MoIC, and the IDLG must authorize their provincial-level offices to allow women’s training and networking sessions on their properties. The AWCCI must work with these Government entities to coordinate this activity.</p>
Development Assistance	
Challenges & Constraints	Solutions
<p><b>Reduction in development support:</b> As a result of the deteriorating security situation in Ghor, development projects funded by the Afghan Government and international donors have decreased dramatically. This decline in assistance has had a notable negative impact on the future prospects of women-owned businesses in Ghor.</p>	<p>Stakeholders in Afghan women’s economic development, to include the MoWA and the AWCCI, among others, must raise awareness of this issue with other Afghan Government entities and the international donor community.</p>
<p><b>Sector-specific support:</b> Embroidery is a key product of Ghor. It is possible that embroidery, along with the handicrafts sector in general, will be completely wiped out in the absence of targeted support for this sector.</p>	<p>Due to the high prices for fine embroidered products, the domestic Afghan market holds few opportunities for increasing sales. The AWCCI and other stakeholders must support the women producers of Ghor by connecting them with international buyers through online sales, participation in national and international exhibitions, and the development of other sales channels.</p>



HELMAND

INTRODUCTION

Helmand province is located in southern Afghanistan and shares a lengthy border with Pakistan. The total population of the province is upwards of 1.7 million persons, of whom approximately 70.4 percent live in rural communities. 51 percent of the working population of Helmand is engaged in the agriculture sector, followed by 28.7 percent in services, and 20.2 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 21.4 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI database of women-owned businesses contains 50 entries for Helmand, of which 20 are licensed businesses and the remaining 30 percent are unlicensed. The licensed businesses operate across three sectors tracked by the AWCCI: education (30 percent), services (25 percent), and clothing/handicrafts production (15 percent). The remaining 30 percent were engaged in businesses not tracked by the AWCCI. The unlicensed businesses also operated across four sectors but were primarily concentrated in clothing/handicrafts production (76.7 percent).

The majority of both licensed and unlicensed businesses financed their enterprises using

personal savings (80 percent and 66.7 percent, respectively). 10 percent of licensed businesses received loans from family members, while another 10 percent were able to access funding through development programs. Among unlicensed businesses, 30 percent received loans from family members and 3.3 percent were able to access grants or loans from development programs. None of the businesses in the Helmand sample received loans from banks.

In the area of education, licensed business owners were much more likely to have completed some type of higher education compared to their unlicensed peers (50 percent vs. 10 percent). On the other end of the spectrum, 30 percent of licensed business owners had not completed any formal education, and this figure rises to 50 percent among unlicensed business owners.

There was little variation between licensed and unlicensed businesses in terms of years of operation. 40 percent of licensed businesses had been operating for six more years, with this figure dropping to 30 percent among unlicensed businesses. Both licensed and unlicensed businesses were relatively active promoting their goods and services on social media (40 percent and 23.3 percent, respectively).

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Helmand province, the AWCCI engaged both provincial-level Government officials and nine women business owners through focus group discussions (FGDs) and key informant interviews (KIIs) for the WNBA. The AWCCI worked to ensure that the

businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
Lack of marketing capacity: The businesswomen of Helmand request support in marketing. They have little capacity to attractively package products or identify and attract consumers to buy them.	There must be targeted support to women entrepreneurs to instruct them in the foundational skills of marketing, to include branding and basic market research.

HERAT

INTRODUCTION

Herat province is the principal economic and population hub of western Afghanistan. The population of Herat exceeds 2.1 million persons, of whom nearly 70 percent live in rural communities. The key employment sectors in Herat are agriculture (53.7 percent of the workforce), services (25.3 percent), and manufacturing (21 percent). Agriculture also employs the largest number of women in the livestock and horticulture sub-sector. The adult literacy rate (aged 15 years and older) in Herat is 34.5 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

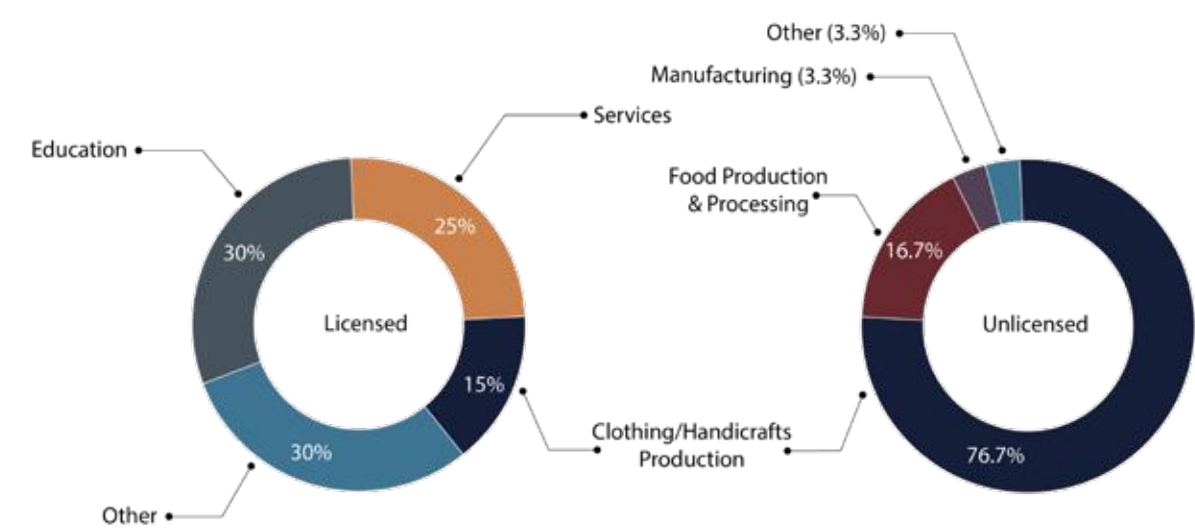
The national-level database maintained by the AWCCI includes 368 licensed women-owned businesses and 2,811 unlicensed businesses operating in Herat province. The licensed businesses are involved in a diverse range of sectors, to include manufacturing (17.9 percent of the total), services (16.3 percent), and

clothing/handicrafts production (14.7 percent), among others. The unlicensed businesses, on the other hand, are overwhelmingly engaged in clothing/handicrafts production (81.7 percent), with the remaining businesses spread thinly over a number of other sectors.

The vast majority of both licensed and unlicensed businesses in Herat were self-financed (90.5 percent and 90.4 percent, respectively). Licensed businesses were more likely to received bank loans compared to their unlicensed counterparts (1.9 percent vs. .3 percent), while unlicensed businesses were more likely to receive some type of financial assistance from development programs (8.6 percent vs. 1.9 percent).

In the area of business development and marketing, a majority of licensed businesses (54.3 percent) have used social media platforms, while a large minority had not. Around half as many unlicensed businesses (27.7 percent)

Figure 19:  
Sectors of Operation [Helmand]





were active on social media, with a large majority missing out on potential sales and business development opportunities available on platforms like Facebook, Instagram, Etsy, and YouTube.

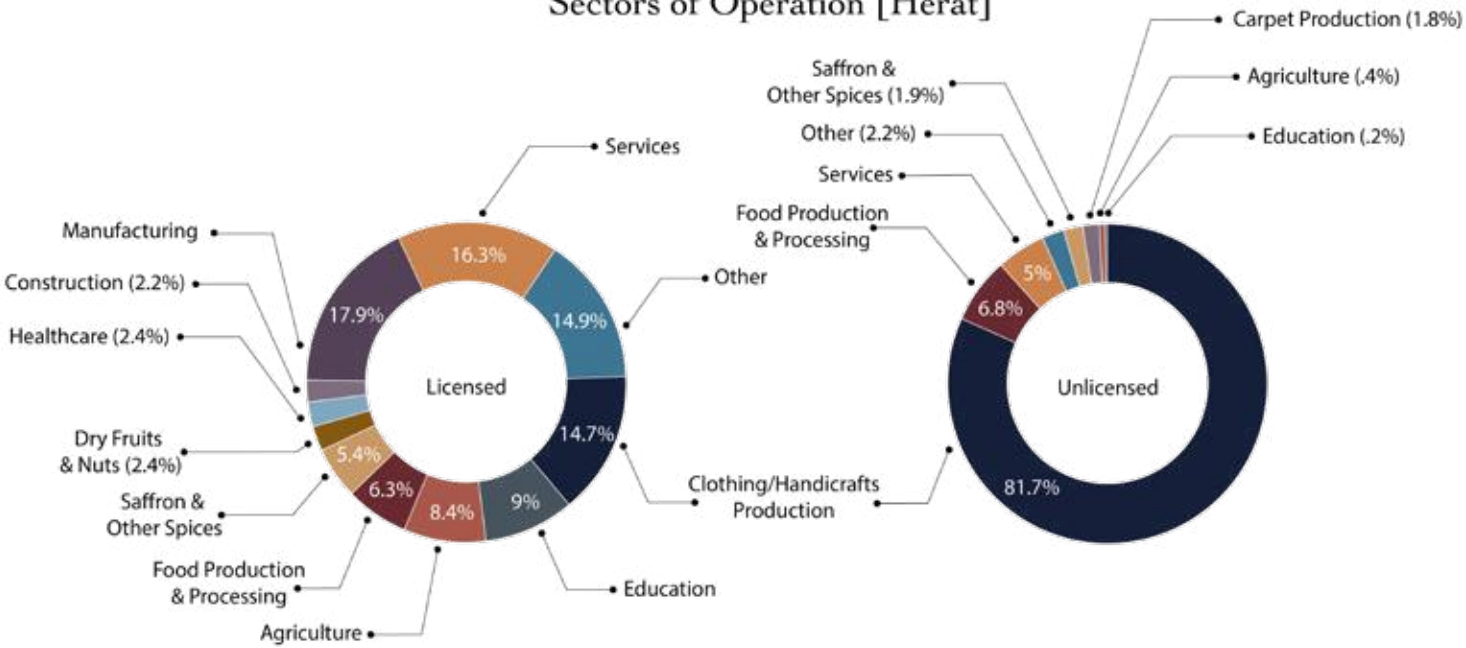
As is the case throughout Afghanistan, the level of education among the founders of licensed businesses is higher than those of unlicensed businesses. 47.6 percent of licensed business owners had earned either a bachelor or associate's degree, compared to just 12.5 percent of unlicensed business owners. On the other end of the spectrum, 6.3 percent of licensed business owners had not completed any formal education, compared to 27.5 percent of unlicensed business owners.

CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

In order to better understand the situation on the ground in Herat province, the AWCCI engaged both provincial-level Government officials and 50 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Figure 20: Sectors of Operation [Herat]



Capital

Challenges & Constraints	Solutions
<b>Lack of access to capital:</b> There are few businesswomen in the manufacturing sector in Herat. Lack of access to capital as well as capacity/skills has led to a lower rate of participation of women in the manufacturing sector. Despite being a major regional economic hub, opportunities to access capital in Herat are scarce as both commercial and microfinance institutions struggle with delinquencies and lack of qualified borrowers.	The AWCCI calls on the Ministry of Women’s Affairs to collectively lobby for additional capital, resources, and access to finance for micro and small women-owned businesses. Sharia-complaint loans are a solution that may be suitable for the businesswomen of Herat.

Markets

Challenges & Constraints	Solutions
<b>Lack of physical market locations:</b> Most markets arranged for women entrepreneurs in Herat are in locations that do not attract much foot traffic.	Women markets in Herat must be in locations that have high foot traffic to attract consumers. This will ensure sustainability of women businesses in these markets. The AWCCI and the Department of Women’s Affairs (DoWA) must advocate at the provincial level to ensure that women-owned businesses can access such facilities. The AWCCI should establish a location that specifically promotes handicrafts products in Herat.
<b>Difficulty accessing domestic and regional markets:</b> The lack of access to markets, specifically for handicrafts, is the most crucial challenge women entrepreneurs in Herat face. Provincial level exhibitions in Herat do not have an adequate number of buyers and significant traction. In general, Afghan consumers do not trust domestic products. People in Herat are not consuming domestic products and its markets are flooded with products from Iran that displace local businesses.	<p>Women-owned businesses must be supported in participating in international exhibitions. More importantly, women in business must receive training on exhibition participation, engaging with buyers, negotiating contracts, and following up with potential buyers.</p> <p>Women in agriculture should receive new machinery and training on how to use it in order to perform value addition at a regional, if not international, standard. Government should allocate 20% of its Agriculture Development Fund (ADF) for women agribusinesses.</p> <p>In addition, women in the agriculture sector and sub-sectors should receive training abroad on new methods and technologies. This will not only build their capacity, but also motivate them substantially.</p>

Security

Challenges & Constraints	Solutions
<b>Lack of security:</b> Insecurity is one of the biggest challenges that the business community is facing in Herat. While the threat of violence for Afghan civilians is typically related to the conflict between the Afghan Government and armed insurgents, in Herat the primary threat is organized criminal networks. Members of the business community must contend with the risk of being kidnapped, extorted, and harassed. Furthermore, freight/logistics security (theft of goods) is another challenge that has impacted women-owned businesses. It has led to capital moving abroad and significantly impacted the motivation of businesswomen to invest in enterprises in Herat.	Security has impacted all walks of life, not just male-owned or women-owned businesses. The threat posed by organized crime in Herat is indirectly tied to the larger conflict in Afghanistan. Only when the Afghan Government is able to forge a viable peace agreement with its adversaries can the full weight of the Government’s intelligence and police assets can be directed against organized crime.



Corruption	
Challenges & Constraints	Solutions
<b>Detrimental effect of corruption at Herat Customs:</b> At present, corruption exists at every step of the process to clear Herat Customs. This significantly degrades the enabling environment for business in Herat and the entire Western region. Women-owned businesses are less prone to engage with male-dominated corruption networks and are therefore more likely to face challenges.	The Afghan Government must take immediate and strong action to curb corruption at Herat Customs, specifically by simplifying tariffs and customs clearance. Those who are convicted must go to jail. The AWCCI will continue to highlight this issue and press for reform.
<b>Corruption in Government and other organizations:</b> Funds, grants and other programs that aim to support women owned businesses seldom reach those who need it or qualify for it.	The AWCCI will advocate to the Afghan Government and the international community to address corrupt practices at all levels by training staff on new policies and commitments and continue simplifying and clarifying processes and procedures.

JAWZJAN

INTRODUCTION

Jawzjan province is located to Afghanistan’s far north and shares a border with Turkmenistan. The population of Jawzjan is approximately 600,000 persons, around 78 percent of whom live in rural communities. A plurality of the workforce, 41.3 percent, is engaged in the manufacturing sector, followed by 35.7 percent working in services, and 25.6 percent working in the agriculture sector. The adult literacy rate (aged 15-years and older) is 25.6 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes entries for 13 licensed women-owned businesses and 131 unlicensed businesses. The dominant sectors for licensed businesses were education (30.8 percent), food production and processing (23.1 percent), and media (23.1 percent). Among unlicensed businesses, an overwhelming majority – 80.9 percent – were involved in clothing/handicrafts

production. An additional 16.8 percent were focused on food production and processing, with the remaining 2.3 percent distributed across several sectors.

The vast majority of both licensed and unlicensed businesses in Jawzjan were self-financed (84.6 percent and 88.5 percent, respectively). The remaining licensed businesses received loans from relatives, while 10.7 percent of unlicensed businesses were able to access some form of financial support from development programs.

The women founders of licensed businesses were typically more educated than their licensed peers, with 53.8 percent having completed some level of higher education as compared to 16 percent of their unlicensed counterparts. Nearly half – 48.1 percent – of unlicensed business owners had not completed any formal education, as compared to 38.5 percent of their unlicensed counterparts.

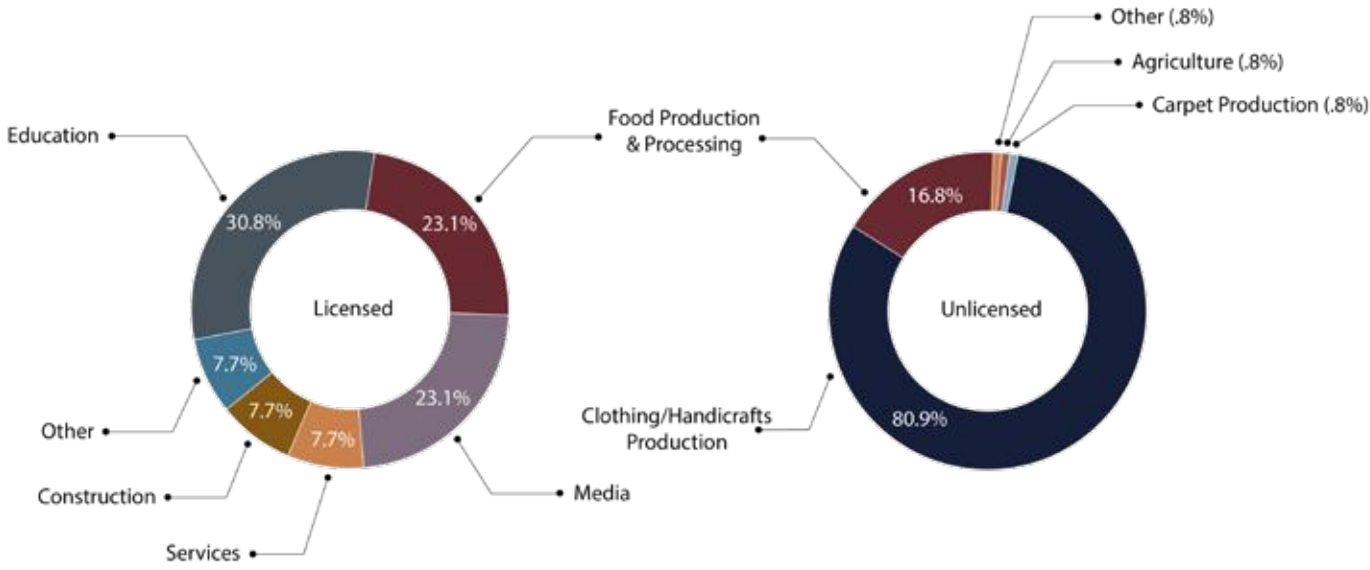
The licensed businesses in the Jawzjan sample were far more well-established, on average, as compared to their unlicensed counterparts; 76.9 percent had been operating for six or more years, as compared to just 28.2 percent of unlicensed businesses. In the area of digital connectivity, 46.2 percent of licensed businesses reported to the AWCCI that they had utilized social media platforms to promote their goods and services. In the case of unlicensed businesses, the rate of social media use stood at just 5.3 percent.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Jawzjan province, the AWCCI engaged both provincial-level Government officials and 74 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Figure 21:  
Sectors of Operation [Jawzjan]



Markets	
Challenges & Constraints	Solutions
<b>Lack of women’s market:</b> At present, there are no market areas in Jawzjan set up specifically for women businesses and consumers.	This issue can be addressed by the provincial government, following consultations with the businesswomen themselves, to determine what available areas are safe and accessible for women business owners and their clients.



Capacity	
Challenges & Constraints	Solutions
<b>Lack of education opportunities:</b> At present, there are few available options for aspiring or current Jawzjani businesswomen interested in learning the basics of management, financial accounting, and other hard skills that increase the likelihood of operating a successful enterprise.	While it may not be feasible for the businesswomen of Jawzjan to enroll in multi-year associate and bachelor’s degree programs, short courses can be organized that specifically cater to the knowledge deficiencies that are prevalent within this group.
Disaster Preparedness	
Challenges & Constraints	Solutions
<b>Lack of disaster preparedness:</b> The businesses operated by the women of Jawzjan are ill-prepared to withstand shocks caused by natural disasters and pandemics like COVID-19.	Women’s businesses in this province must receive training in disaster management and planning in order to prevent or mitigate loss of sales or equipment caused by natural disasters and pandemics. The funding should be provided by international donors that are already supporting disaster reduction and management programs.

KABUL

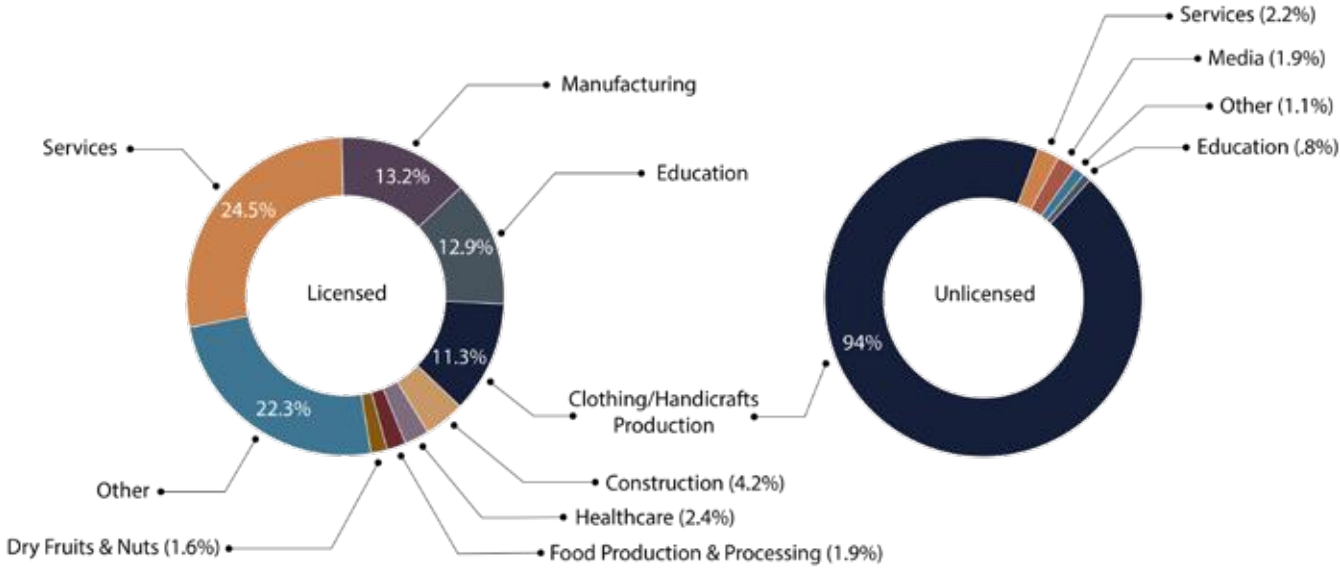
INTRODUCTION

Kabul province – home to the nation’s capital, Kabul City – is the nexus point connecting Afghanistan’s many ethno-linguistic communities. Kabul is the most post populous province in Afghanistan with over 5 million inhabitants, most of whom (85.6 percent) live in urban communities. The primary driver of the provincial economy is the services sector, which employs nearly 64 percent of the workforce, followed by manufacturing (employing 19.2 percent of the workforce), and finally agriculture (17.7 percent). The adult literacy rate (aged 15 years and older) is 54.2 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national level database maintained by the AWCCI includes 1,144 licensed women-owned businesses and 4,207 unlicensed businesses. The licensed businesses are distributed across all 19 sectors tracked by the AWCCI, with the highest concentrations in services (24.5 percent), manufacturing (13.2 percent), education (12.9 percent), and clothing/handicrafts production (11.3 percent). In contrast, unlicensed businesses are only represented in 11 sectors, and are overwhelmingly concentrated in the clothing/handicrafts production sector (94 percent).

Figure 22:  
Sectors of Operation [Kabul]



Among both licensed and unlicensed businesses, personal savings were the primary source of startup capital; 90.9 percent in the case of licensed businesses, and 76.4 percent for unlicensed businesses. In terms of utilizing bank loans, Kabul province is a notable outlier compared to other provinces. Only 3.1 percent of licensed businesses acquired bank loans to launch their enterprises, as compared to 15.5 percent of unlicensed businesses. This figure defies the conventional wisdom that licensed businesses – typically founded by more educated women – have better odds of receiving bank loans as compared to their peers operating in the informal economy. Additionally, unlicensed businesses had much more success than their licensed peers at obtaining funds from development programs, at a rate of 7.6 percent compared to just .9 percent of licensed businesses.

In the area of education, conventional wisdom does hold true – licensed businesses owners were far more likely to have completed some level of education as compared to unlicensed business owners. Well over half (62.1 percent) of licensed business owners had completed some type of higher education, as compared to just 9.7 percent of unlicensed business owners. On the other end of the spectrum, just 7.3 percent of licensed business owners reported to the AWCCI that they had not completed any formal education, compared to 43.6 percent of

unlicensed business owners.

The licensed businesses were, on average, more well-established than their unlicensed peers, but only moderately so. Nearly half (49.7 percent) of licensed businesses had been in operation for six or more years, compared to 38.8 percent of unlicensed businesses.

A notable digital divide exists between the licensed and unlicensed samples. 65 percent of licensed business owners were active on social media platforms promoting their products and services. This figure drops to just 6.7 percent among unlicensed business owners.

CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

The AWCCI engaged more than 80 businesses in Kabul through focus group discussions (FGDs) and key informant interviews (KIIs) for the WNBA. While the participants of the FGDs and KIIs did not precisely mirror the characteristics of the broader sample pool of women-owned businesses in Kabul province, the AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.



Government Services	
Challenges & Constraints	Solutions
<b>Difficulty accessing information and services from the Afghan Government:</b> Accessing information from the Government is a key challenge for women-owned businesses. Furthermore, Government services for women business owners requires significant improvement.	The AWCCI must advocate for a dedicated point of contact for women-owned businesses in each ministry. This will ensure women-owned businesses can easily access that person and share their problems. A phone hotline dedicated to addressing issues between women business owners and Government entities may also be an option to consider. Additionally, AWCCI membership cards should be accepted as valid IDs when women business owners must visit a ministry to complete a task.
Government Procurement	
Challenges & Constraints	Solutions
<b>Low representation of women in Government contracts:</b> Women-owned SMEs have difficulty accessing Government contracts. This is typically the result of steep requirements when it comes to years of experience and annual turnover.	Many Government contracts are not particularly complex – as such, the procurement Terms of Reference should not be so quick to disqualify women-owned SMEs that are more than capable of delivering the needed products or service successfully. Government contracts that do not require the capacity or expertise of large firms should be identified and categorized as such, with quotas allocated for women-owned businesses. The process of monitoring the percentage of contracts that go to women-owned businesses must be appropriately monitored to ensure that gender equity is being considered.
Capacity	
Challenges & Constraints	Solutions
<b>Low capacity in financial accounting:</b> Many otherwise strong women-owned businesses lack the capacity to professionally document their spending and income. Additionally, few women-owned SMEs have committed to a schedule of annual auditing. The combined result of these two deficiencies is lower competitiveness when bidding for large-scale projects with public, private, and development sector entities.	The AWCCI and other stakeholders in Afghan women’s economic development must continuously provide financial literacy and financial management training and mentorship to women business owners in Kabul.

Markets	
Challenges & Constraints	Solutions
<b>Difficulties participating in international trade exhibitions:</b> The businesswomen of Kabul face three obstacles when it comes to participating in international trade shows.  First, the process of obtaining businesses visas to many key markets where exhibitions are hosted is extremely difficult, if not impossible.  Second, many families insist that a male relative should accompany the businesswoman on the trip as a mahram, or escort. The additional travel costs for a mahram may be prohibitive, and additionally there may not be any male family members available to serve in this role.  Finally, the cost of participating in international trade exhibitions is often beyond the means of Afghan businesswomen who have less capacity to raise capital than their male peers.	The Afghan Government – particularly the Ministry of Industry & Commerce and the Ministry of Foreign Affairs – must work with their regional and international counterparts to prioritize visa applications for Afghan businesswomen. AWCCI should sign MoUs with both these ministries and agree to prepare letters of recommendation to the foreign missions in Afghanistan.  Responding to the cultural issue related to the requirement of a mahram is less straightforward. Stakeholders like the AWCCI can attempt to assist by organizing groups of businesswomen to travel together in order to reduce concerns of male family members.  The issue of cost can be addressed by directly lobbying exhibition organizers to offer substantial discounts to Afghan women participants.
<b>Lack of online sales capacity:</b> Most Afghan women producers do not have the capacity to develop and maintain their own websites to do online sales.	The AWCCI must mobilize more resources to enhance, and then promote, the Made by Afghan Women website to increase the sales of the participating businesses.
<b>Lack of sales at foreign embassies:</b> Kabul is the home of many foreign embassies staffed by individuals who are very much interested in Afghan handicrafts.	While the COVID-19 global pandemic will prevent progress being made in this area in the near future, the AWCCI and the Ministry of Women’s Affairs must engage in outreach to these embassies to organize a schedule of annual and bi-annual small-scale exhibitions in these embassies for women handicraft producers.



# KANDAHAR

**INTRODUCTION**

Kandahar, located in southern Afghanistan, is one of Afghanistan’s largest and most politically and economically significant provinces. The provincial capital, Kandahar City, is the second largest urban center in the country. The population of Kandahar province is approximately 1.4 million persons, 63 percent of whom live in rural communities. 47.8 percent of the working population of Kandahar is engaged in the agriculture sector, followed by 43.7 percent in the services industry, and the remaining 8.6 percent in manufacturing.

**OVERVIEW OF WOMEN-OWNED BUSINESSES**

The AWCCI database of women-owned businesses contains 722 entries for Kandahar, of which 71 are licensed businesses and the remaining 651 are unlicensed. The licensed businesses are distributed across nice sectors tracked by the AWCCI, led by clothing/handicrafts production (38 percent), manufacturing (18.3 percent), and education (9.9 percent). The unlicensed businesses operate across seven sectors tracked by the AWCCI, with clothing/handicrafts production and food production and processing

as the most dominant industries (64.1 percent and 22.7 percent, respectively).

The licensed businesses were primarily funded with personal savings (80.3 percent of the total), with 15.5 percent receiving loans from family members, and 4.2 percent accessing some type funding from development programs. In contrast, a majority of unlicensed businesses (53.9 percent of the total) were able to access funding from development programs, with only 41.3 percent drawing on personal savings to use as startup capital.

In terms of education, women owners of licensed businesses were, on average, more educated than their peers operating in the informal economy. 28.2 percent of licensed business owners had completed some form of higher education, as compared to just 2.2 percent of unlicensed businesses owners. In fact, the vast majority of unlicensed business owners (88 percent) had not completed any type of formal education. This figure drops to 28.2 percent among licensed business owners.

Licensed businesses were slightly more well established than unlicensed businesses; 38 percent had been in operation for six years or more, compared to 16 percent of unlicensed businesses. Licensed businesses were also significantly more likely to use social media platforms to promote their businesses (35.2 percent of total) compared to their unlicensed peers (6.1 percent).

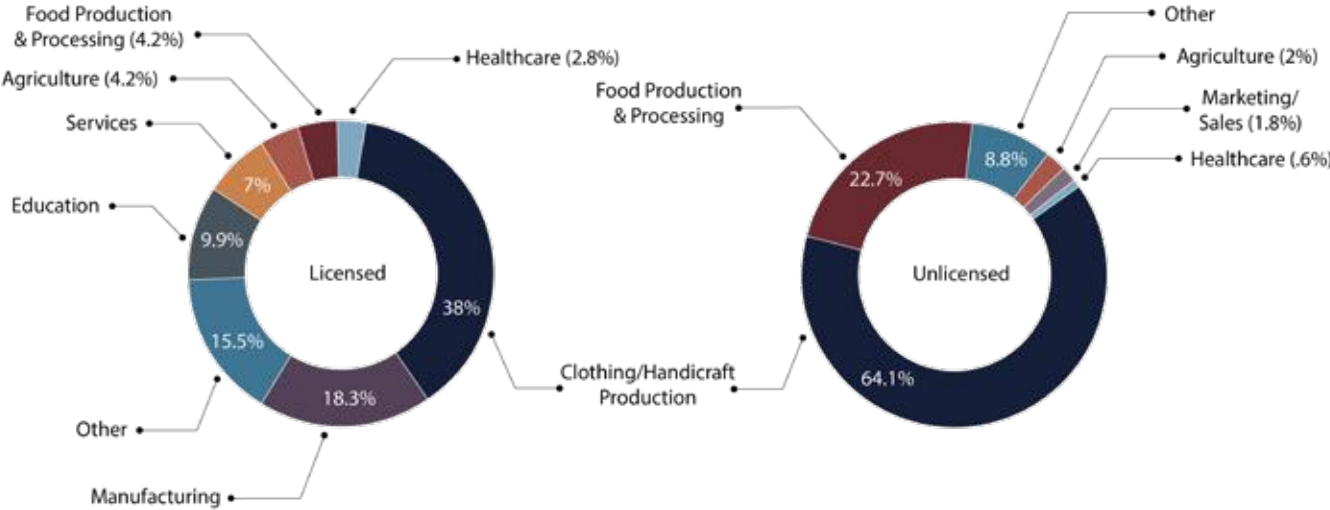
**CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL**

In order to better understand the situation on the ground in Kandahar province, the AWCCI engaged both provincial-level Government officials and 58 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs) for the WNBA. The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Advocacy	
Challenges & Constraints	Solutions
<b>Lack of organized advocacy:</b> At present, organizations that are mandated to support women-owned businesses to include AWCCI itself, are not organized or coordinated within the province. The result is a lack of understanding of the challenges that women-owned businesses face in Kandahar, thereby making advocacy efforts even more difficult to pursue.	Women business owners must be provided with advocacy, leadership, and business management training, so that they can gain the confidence to organize themselves. It is important that the businesswomen of Kandahar organize themselves organically, without groups or associations set up by outsiders from Kabul and the other big cities. The AWCCI, with support from stakeholders, can help create an initial advocacy committee, but ultimately the businesswomen of Kandahar must take ownership of the process.

Figure 23:  
Sectors of Operation [Kandahar]





KAPISA

INTRODUCTION

Kapisa is Afghanistan’s smallest province, located directly northeast of Kabul. The population of Kapisa is just shy of a half million persons, 99.6 percent of whom live in rural communities. The majority of the workforce is concentrated in the services sector (65.7 percent), followed by agriculture (22 percent), and finally manufacturing (12.3 percent). The adult literacy rate (aged 15 years and older) is 49.1 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

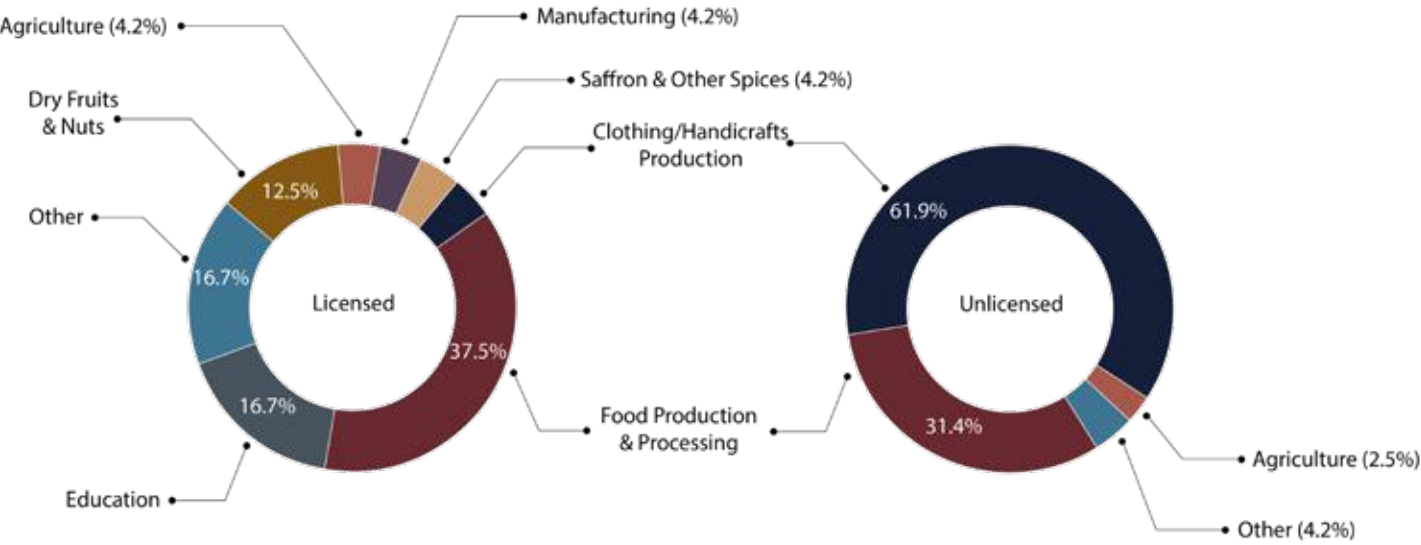
The national-level database maintained by the AWCCI includes 24 licensed women-owned businesses and 118 unlicensed businesses. The licensed businesses are distributed across seven sectors tracked by the AWCCI, led by food production and processing (37.5 percent), followed by education (16.7 percent), dry fruits and nuts (12.5 percent), and clothing/handicrafts production (4.2 percent). The sample of unlicensed businesses was also represented in seven sectors, with most concentrated in

clothing/handicrafts production (61.9 percent) and food production and processing (31.4 percent).

The vast majority of licensed businesses in Kapisa were self-financed (83.3 percent). The remaining 16.7 percent had accessed financing supported by loans from relatives. Looking at unlicensed businesses, an even greater majority, 90.7 percent, were financed through personal savings. 5.1 percent of unlicensed businesses had obtained loans from family members, 2.5 percent had received funding from development programs, and 1.7 percent had received loans from banks.

In the area of education, a remarkably high number of women owners of licensed businesses (41.7 percent) had not completed any formal education. This rate was slightly higher than the 40.7 percent of unlicensed women business owners who lacked education. Overall, though, the owners of licensed businesses were moderately more educated than their unlicensed peers.

Figure 24:  
Sectors of Operation [Kapisa]



While the differences in education between licensed and unlicensed company founders was marginal, the licensed businesses were significantly more well-established than their unlicensed counterparts. 54.2 percent of licensed businesses had been operating for six or more years, compared to just 16.1 percent of unlicensed businesses.

In contrast to most other provinces, more unlicensed than licensed businesses reported to the AWCCI that they utilized social media platforms for business development and marketing purposes (30.5 percent compared to 20.8 percent, respectively).

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Kapisa province, the AWCCI engaged both provincial-level Government officials and 22 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capital	
Challenges & Constraints	Solutions
<b>Lack of access to startup capital:</b> Poverty and generally low household income levels present an enormous challenge for women seeking to assemble sufficient capital to launch a business.	<p>The local Government of Kapisa should ensure that the province has an economic development plan that considers the needs of women looking to launch micro and small enterprises.</p> <p>Financing schemes for the aspiring businesswomen of Kapisa can be replicated from other provinces.</p>
Capacity	
Challenges & Constraints	Solutions
<b>Need for capacity building support:</b> For many businesswomen in Kapisa, there is a lack of awareness about best practices for operational, financial, and marketing management. Specifically, those businesses involved in agricultural and dairy production do not have the knowledge necessary to incorporate modern methods of hygienic processing and packaging that would make their products more appealing in both domestic and international markets.	<p>Due to its close proximity to Kabul, training programs organized in Kabul are relatively accessible for the businesswomen of Kapisa. Additionally, site visits for the businesswomen of Kapisa can be arranged so that they can network with and learn from more sophisticated production operations that exist in the neighboring provinces of Kabul and Parwan.</p> <p>With the support of stakeholders like the AWCCI and MoWA, Kapisa businesswomen must also become organized and empowered in order to successfully apply for grants and loans to upgrade existing production facilities and adopt modern standards for their products.</p>



Security	
Challenges & Constraints	Solutions
<b>Lack of security:</b> As is the case with other provinces bordering Kabul province, Kapisa is a hotbed of insurgent activity.	Kapisa province will remain insecure as long as the current conflict between the Afghan Government and insurgent groups persist. There are no solutions that can be led by the private sector.

KHOST

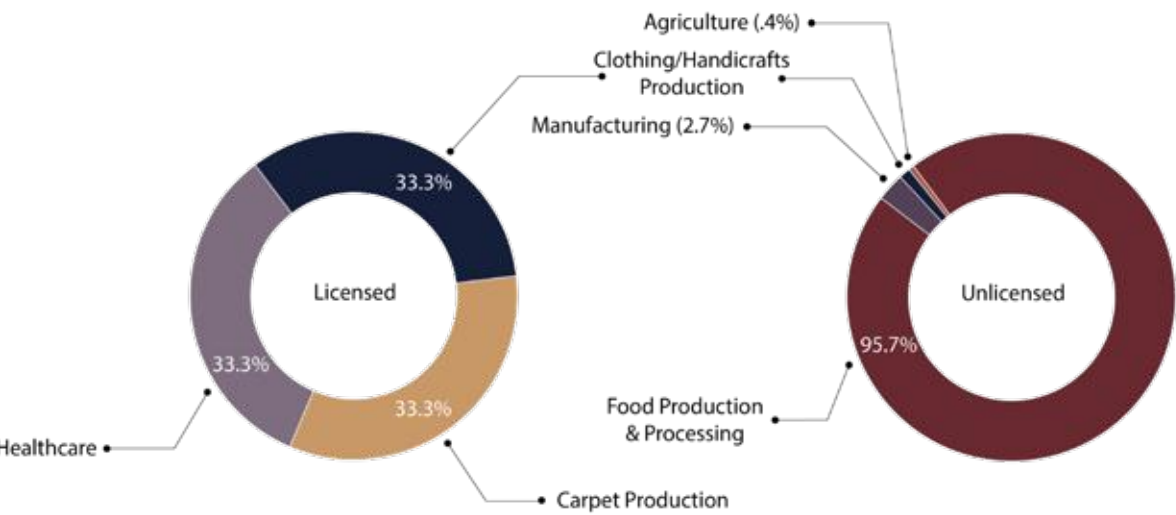
INTRODUCTION

Khost province is located in southern Afghanistan and shares a short stretch of border with neighboring Pakistan. The total population of Khost is upwards of 630,000, of whom 98 percent live in rural communities. 62.8 percent of the working population of Khost is engaged in the agriculture sector, followed by 30.3 percent in the services industry, and the remaining 6.9 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 27.7 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI database of women-owned businesses contains 519 entries for Khost, of which three are licensed businesses and the remaining 516 are unlicensed. The three licensed businesses are engaged in carpet production, clothing/handicrafts production, and healthcare. The unlicensed businesses are distributed across four sectors tracked by the AWCCI, although the overwhelming majority (95.7 percent) are concentrated in food production and processing.

Figure 25:  
Sectors of Operation [Khost]



Two of the licensed businesses were financed with personal savings, while one had obtained loans from family members. In the much large sample of unlicensed businesses, an unusually high number, 91.1 percent, had received some type of financial support from a development program. This may indicate that a women’s economic development program has been implemented in Khost in the last several years, although further investigation is required to clarify the source of funding. Of the remaining unlicensed businesses, 5.6 percent had taped into personal savings to launch their business, and 3.3 percent had obtained loans from family members.

The education level among the three licensed business was varied. One had earned a master’s degree, one an associate’s degree, and the third had not completed any formal education. The majority of unlicensed business owners, on the other hand, had not completed any formal education (69.6 percent of the total). The remaining 30.4 percent had done part or all of grades 1 through 12.

In terms of years of operation, all three licensed businesses had been launched 6 or more years

ago. In contrast, 95.2 percent of unlicensed businesses had been launched in the last five years. Only 1.9 percent of unlicensed businesses had used social media platforms to promote their products or services, a figure which drops to zero percent among licensed businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Khost province, the AWCCI engaged both provincial-level Government officials and 11 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs) for the WNBA. The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>Little capacity to compete in key sectors:</b> Poultry farming, animal husbandry, and pine nuts harvesting and processing are key sectors in Khost province, but women-owned businesses have had little success penetrating these sectors and establishing a foothold.	Women-owned businesses require long-term technical assistance in sectors that hold profit potential in Khost.



KUNAR

INTRODUCTION

Kunar is located in eastern Afghanistan and shares a border with Pakistan. The total population of the province close to a half million persons, of whom 96 percent live in rural communities. 61 percent of the working population of Kunar is engaged in the agriculture sector, followed by 23 percent in the services industry, and the remaining 16 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 38.2 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI database of women-owned businesses contains 196 entries for Kunar, of which four are licensed businesses and the remaining 192 are unlicensed. The four licensed businesses are engaged in construction, education, food production and processing, and manufacturing. The unlicensed businesses operate in four sectors tracked by the AWCCI, although they are primarily concentrated in

food production and processing (50 percent) and clothing/handicrafts production (47.9 percent).

The four licensed businesses in the sample all taped into their personal savings to use as startup capital. Among unlicensed businesses, this figure drops to 33.3 percent, with most of the unlicensed sample (66.7 percent) obtaining loans from family members.

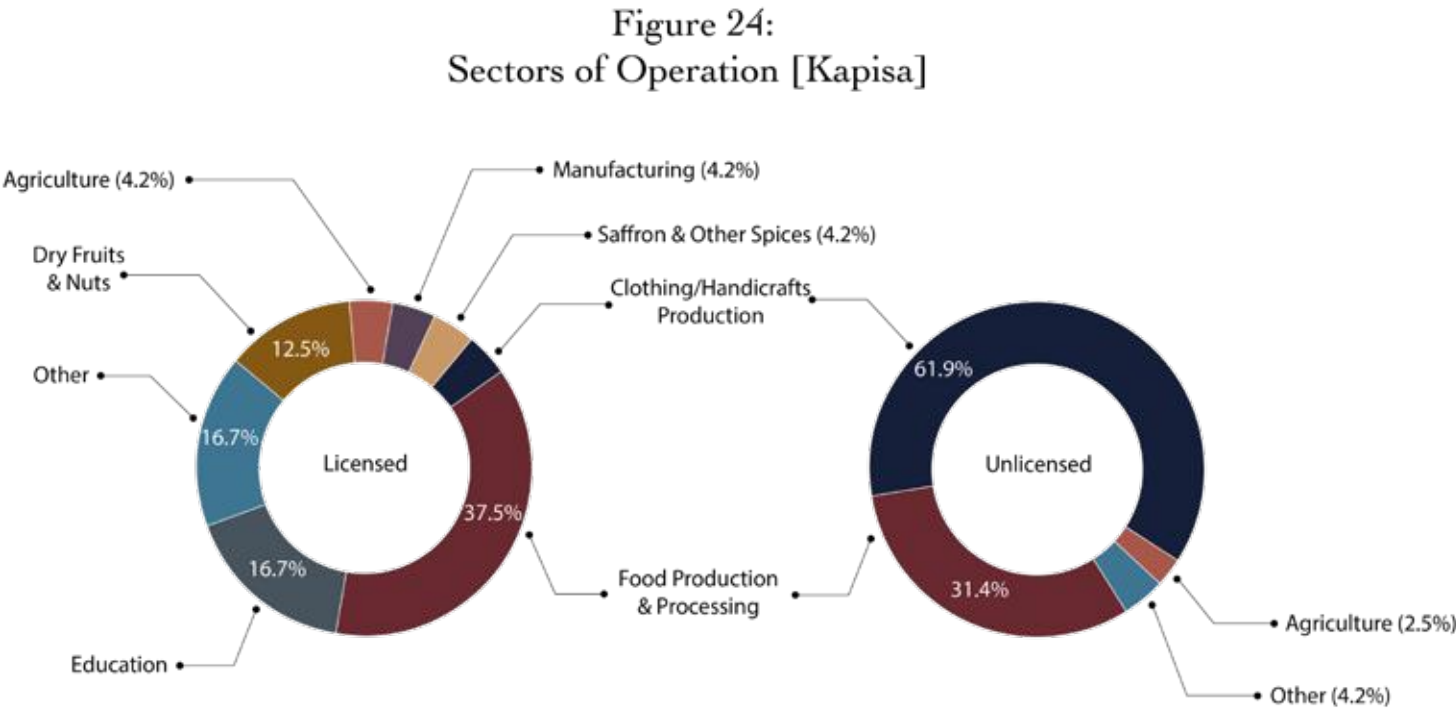
In terms of education, women operating licensed businesses were more educated than their unlicensed peers at the higher education level. 25 percent of licensed business owners had completed some level of higher education, as compared to 6.3 percent of unlicensed businesses owners. On the opposite end of the spectrum, a relatively high number of licensed business owners (75 percent) had not completed any formal education. This number drops to 54.2 percent among unlicensed business owners.

All four of the licensed businesses in the sample had been operating for six or more years, compared to 60.4 percent of unlicensed businesses. Only 1 percent of unlicensed businesses reported to the AWCCI that they were active on social media platforms, compared to zero percent among licensed businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Kunar province, the AWCCI engaged both provincial-level Government officials and 33 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs) for the WNBA. The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.



Capacity	
Challenges & Constraints	Solutions
<b>Lack of support for emerging sectors:</b> Emerging sector in Kunar include clothing/ handicrafts production, poultry farming, and pickled vegetable production. These sectors all face challenges that require the attention of the Afghan Government and development sector entities.	Capacity-building programs must be designed to help the women of Kunar improve their skills, product quality, design, and packaging, in order to make their products viable for the urban markets of Kabul.



KUNDUZ

INTRODUCTION

Kunduz province is located in Afghanistan’s far north, sharing a border with Tajikistan. The total population of Kunduz exceeds 1.1 million persons, most of whom (73 percent) live in rural communities. The Kunduz workforce is primarily concentrated in the services sector (53.6 percent), followed by agriculture (38.4 percent), and finally manufacturing (7.9 percent). The adult literacy rate (aged 15-year and older) is 29.6 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes 29 licensed women-owned businesses and 688 unlicensed businesses in Kunduz province. Among both licensed and unlicensed businesses, clothing/handicrafts production was the single most attractive sector for Kunduzi businesswomen. With that said, only a plurality of licensed businesses (31 percent) were engaged in this sector. This figure jumps to 74.4 percent among unlicensed businesses. The remaining licensed businesses were dispersed across a wide range of sectors, to include healthcare (24.1 percent), education

(10.3 percent), media services (10.3 percent), and a number of others. In contrast, the remaining unlicensed businesses were almost exclusively clustered in the food production and processing sector (24 percent).

The number of licensed businesses involved in high-skill sectors is not surprising considering the level of education of the owners. Over half (58.6 percent) of licensed business owners had completed some level of higher education. In contrast, only 7.6 percent of unlicensed business owners had completed some level of higher education, while a vast majority (76.9 percent) had not completed any formal education.

In the area of startup capital, the variation between licensed and unlicensed businesses is less dramatic. Both licensed and unlicensed business owners relied on personal savings in to launch their enterprises (79.3 percent and 92.7 percent, respectively). Licensed businesses were only slightly more likely to receive loans from family members (10.3 percent vs. 3 percent) and access loans from banks (10.3 percent vs. 1.2 percent). On the other hand, unlicensed businesses were more likely to receive some

type of funding from development programs, as compared to their licensed peers (3.1 percent vs. zero percent).

The licensed businesses in the Kunduz sample were more well-established than their unlicensed counterparts; 72.4 percent had been operating for six or more years, compared to 45.2 percent of unlicensed businesses. In terms of digital literacy, a minority of licensed businesses, 41.4 percent, reported to the AWCCI that they utilized social media platforms to promote their goods and services. That number drops dramatically, to just 3.6 percent, among unlicensed businesses.

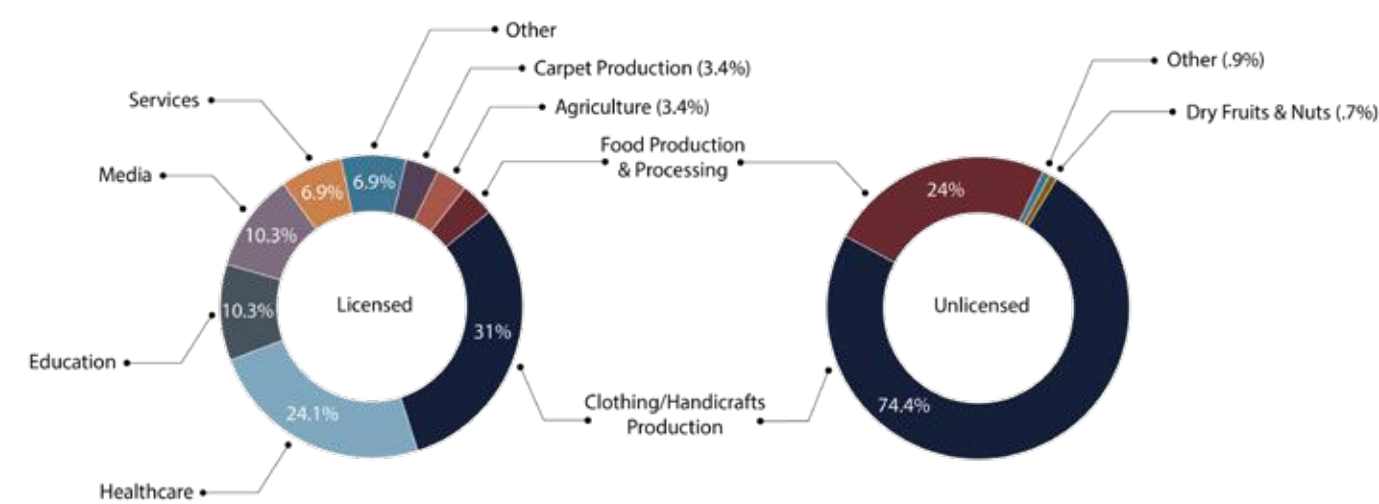
CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Kunduz province, the AWCCI engaged both provincial-level Government officials and 45 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Advocacy	
Challenges & Constraints	Solutions
<b>Lack of advocacy capacity:</b> The businesswomen of Kunduz have expressed frustration at not knowing how to advocate to provincial Government officials for equitable treatment.	The AWCCI and other stakeholders in Afghan women’s economic development must give Kunduzi businesswomen the soft skills necessary to fight for themselves. This can include advocacy and leadership training, as well as moral and practical support in organizing a provincial businesswomen’s association.
Capacity	
Challenges & Constraints	Solutions
<b>Sector-specific support:</b> Due to the high diversity of crops farmed in Kunduz, food production and processing is a high-growth sector. Despite this, Kunduzi businesswomen remain concentrated in the handicrafts sector due to a lack of technical skills in food processing.	The AWCCI and other stakeholders can conduct basic market assessments to determine what agricultural products can be produced with minimal capital investments and technical know-how. Following such an assessment, the AWCCI and others can develop short courses dedicated to specific categories of agriproducts.

Figure 27:  
Sectors of Operation [Kunduz]





LAGHMAN

INTRODUCTION

Laghman province is located in central Afghanistan just east of Kabul province. The total population of Laghman is upwards of 490,000 individuals, 98.9 percent of whom live in rural communities. Agriculture is the main source of employment in Laghman, with 55.2 percent of the workforce engaged in this sector. This is followed by manufacturing, employing 22.6 percent of the workforce, and finally services (22.2 percent). The adult literacy rate (aged 15 years and older) is 32.5 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI contains detailed information on one licensed women-owned business and 28 unlicensed businesses for Laghman province. The database also includes entries for 1,324 women-owned business provided by development agencies and lending institutions, but these entries contain a different set of data points and are not covered in the summary of findings below.

Considering that only one licensed business exists in the database for Laghman, all the information will be summarized together. This

licensed business is between four and five years old and was founded by a woman with a no formal education. The business did receive a bank loan as the primary source of startup capital, and the business is not active on social media. It is not operating in a sector tracked by the AWCCI.

The unlicensed businesses were primarily engaged in clothing/handicrafts production (78.6 percent of the total), with the remaining businesses distributed across the agriculture, food production and processing, jewelry production, and manufacturing sectors. Most of the unlicensed businesses (75 percent) reported to the AWCCI that they had received their startup capital as loans from family members. The remaining 25 percent reported that they had accessed personal savings to launch their business.

The education level of the 28 unlicensed business owners is varied. 21.4 percent of the business owners had completed some type of higher education, with a large plurality (42.9 percent) having completed some level of primary or secondary education. 35.7 percent of the business owners had not completed any formal education. A moderate majority of unlicensed

businesses (57.1 percent) had been established in the last five years, and only 14.3 percent of the unlicensed business owners reported to the AWCCI that they maintained active accounts on social media to promote their businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

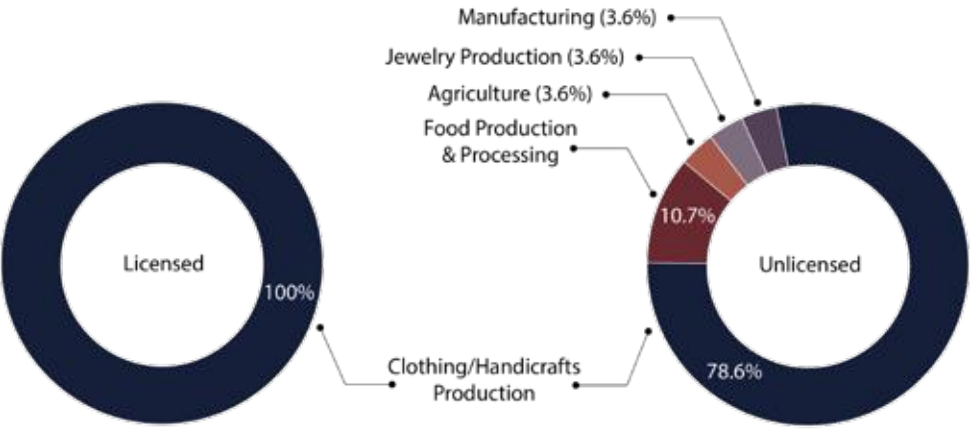
In order to better understand the situation on the ground in Laghman province, the AWCCI engaged both provincial-level Government officials and 29 women business owners

through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<b>Difficulty connecting with consumers locally and nationally:</b> The businesswomen of Laghman have reported that they have little ability to connect with consumers within their own province, as well as nationally.	Besides the allocation of a dedicated women’s market in Laghman, more work must be done by the AWCCI and others to connect Laghmani businesswomen with buyers. This can include training in sales and marketing, along with efforts to ensure that Laghmani businesswomen are represented at national trade exhibitions.
Capacity	
Challenges & Constraints	Solutions
<b>Lack of foundational business skills:</b> The FGDs and KIIs revealed that the participants from Laghman were very much aware of their own deficiencies in business knowledge, particularly in operational management, and wished to receive basic business education.	These deficiencies can be addressed through short courses in specific business topics that are in high demand. Considering Laghman’s close proximity to Kabul, these training programs could be delivered in Kabul if appropriate facilities cannot be identified in Laghman itself.
Capital	
Challenges & Constraints	Solutions
<b>Lack of knowledge about loan applications:</b> The businesswomen of Laghman told the AWCCI that while they were interested applying for loans, they had no knowledge of what lenders to contact, how to prepare a loan application, and how loan repayment terms are typically structured.	One short course that may be of particular value for the businesswomen of Laghman (as well as those from other provinces) is loan application and management. This short course could provide an overview covering the lending institutions that operate in Afghanistan, what criteria lenders consider in an application, and how to manage a loan when an application is successful.

Figure 28:  
Sectors of Operation [Laghman]





# LOGAR

## INTRODUCTION

Logar is a mineral-rich province located just south of Kabul province. It is probably most well-known for the Mes Aynak archeological site, which sits atop a hotly contested copper deposit. The population of Logar is upwards of 424,000 persons, with services employing the majority of the workforce (54.6 percent of the total). The next largest source of employment is the agriculture sector (31.5 percent of the workforce), followed by manufacturing (14 percent). The adult literacy rate (aged 15 years and older) is 26.2 percent.

## OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes 14 licensed women-owned business and 4 unlicensed businesses operating in Logar province. The licensed businesses in Logar are distributed across five sectors tracked by the AWCCI: clothing/handicrafts production (28.6 percent), services (14.3 percent), construction (14.3 percent), education (14.3 percent), and manufacturing (7.1 percent). The remaining 21.4 percent of licensed businesses fell in the ‘Other’ category. Among the four unlicensed businesses, two were engaged in clothing/handicrafts production, with the remaining two working in food production and processing.

The women owners of licensed businesses in Logar accessed finance from two sources: their own personal savings (64.3 percent) and loans from family members (35.7 percent). Of the four unlicensed businesses, three were self-funded from personal savings, and one was able to access funding from a development program.

In terms of education, there is a sharp divide in education levels within the group of licensed business owners. Nearly half (42.9 percent) of licensed business owners had completed some type of higher education, while a full 50 percent had not completed any formal education. The four unlicensed business owners also had varying levels of education. One had earned a bachelor’s degree, one an associate’s degree, one had received some level of secondary education, and one had not completed any formal education.

As was the case in most other provinces, licensed businesses in Logar were more well-established than their unlicensed peers. 78.6 percent of licensed businesses had been operating for six or more years, compared to 25 percent of unlicensed businesses.

While it is difficult to draw any conclusions from such a small sample, most licensed business owners (64.3 percent) reported to the

AWCCI that they were not active promoting their businesses on social media. Among the four unlicensed businesses, the split was 50/50.

## CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

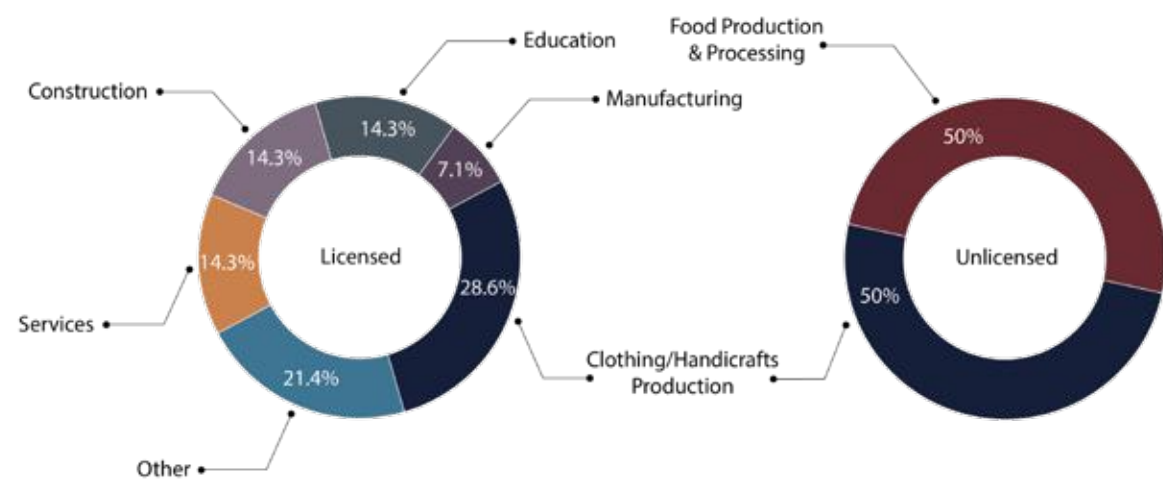
In order to better understand the situation on the ground in Logar province, the AWCCI engaged both provincial-level Government officials and 27 women business owners through focus group discussions (FGDs) and key informant

interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>General lack of capacity to launch businesses:</b> Despite being less than an hour away from Kabul, the FGDs and KIIs revealed that the women of Logar have very little confidence in their own ability to successfully launch a business.	The AWCCI and other stakeholder’s in women’s economic development can identify aspiring women entrepreneurs and provide the needed training to establish and operate a business. Logar is well known for various types of dairy products, and these products are primarily being produced by women. Many women in Logar could build micro and small businesses around dairy processing, if empowered to do so.

Figure 29:  
Sectors of Operation [Logar]



# NANGARHAR

## INTRODUCTION

Nangarhar province is located in southeastern Afghanistan and shares an international border with Pakistan. The capital of Nangarhar, Jalalabad, is the primary urban and economic hub of eastern Afghanistan and is a major gateway for goods going to and from Pakistan. The total population of Nangarhar is upwards of 1.7 million persons, approximately 83.7 percent of whom live in rural communities. Agriculture is the primary source of employment in Nangarhar with 42.2 percent of the workforce engaged in this sector. This is followed by

employment in the services sector (38.9 percent of the workforce), and finally manufacturing (19 percent). The adult literacy rate (aged 15 years and older) is 33.5 percent.

## OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes 45 licensed women-owned businesses and 1,453 unlicensed businesses operating in Nangarhar province. The licensed businesses are distributed across nice sectors tracked by the AWCCI, with the most dominant



sectors being manufacturing (26.7 percent), clothing/handicrafts production (17.8 percent), and education (13.3 percent). In contrast, the unlicensed businesses are overwhelmingly concentrated in just two sectors: clothing/handicrafts production (62.8 percent), and food production and processing (34.6 percent).

Both licensed and unlicensed business owners relied primarily on personal savings as startup capital (88.9 percent and 58 percent, respectively). A far larger number of unlicensed businesses, though, accessed capital through loans from family members (31.2 percent) compared to their unlicensed peers (just 8.9 percent). None of the licensed business owners received funding from development programs, compared to 10.8 percent of unlicensed business owners. Just one licensed business had received a loan from a bank.

Licensed business owners were, on average, more educated than their unlicensed peers,

with 20 percent having completed some type of higher education compared to 5.6 percent of unlicensed business owners. Almost half of licensed business owners (44.4 percent) had not completed any type of formal education, with this figure rising to 64.8 percent among unlicensed business owners.

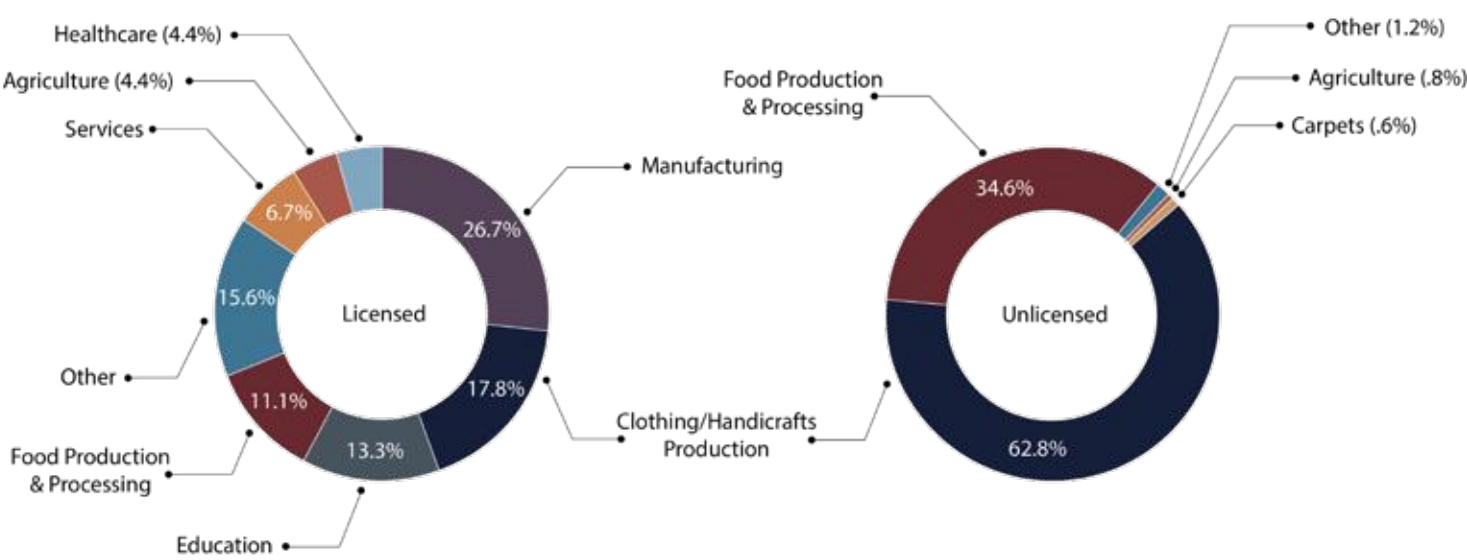
The licensed businesses in the sample were also more firmly established than their unlicensed peers, with 60 percent having been in operation for over six years. In contrast, 75.4 percent of unlicensed businesses had been established only within the last five years. A minority of licensed and unlicensed businesses were active on social media platforms (24.4 percent and 3 percent, respectively).

**CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL**  
In order to better understand the situation on the ground in Nangarhar province, the AWCCI engaged both provincial-level Government officials and 82 women business owners

through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Figure 30:  
Sectors of Operation [Nangarhar]



Markets	
Challenges & Constraints	Solutions
<b>Lack of physical market for women businesses in Nangarhar:</b> At present, there is no dedicated space in the provincial capital of Jalalabad for women-owned businesses to engage with female consumers.	The businesswomen of Nangarhar must organize and collectively demand the allocation of real estate for a women’s market. It is imperative that the AWCCI further develop the capacity of its zonal office in Jalalabad to support this effort.

Security	
Challenges & Constraints	Solutions
<b>Lack of security:</b> Due to the high levels of insecurity in Nangarhar, many families insist that female members refrain from spending much (if any) time outside the home. It must be noted that Nangarhar is one of the most culturally conservative provinces in Afghanistan, and it is difficult to address the restrictions on female movement when there are legitimate concerns about safety.	The Government must continue its effort to make public spaces in Nangarhar secure for citizens. Only with increased public confidence in security will male heads-of-household permit their female relations to leave the house to conduct business.

Capital	
Challenges & Constraints	Solutions
<b>Lack of access to capital:</b> The businesswomen of Nangarhar reported to the AWCCI that they have very few options available to obtain capital to launch or expand a business.	The Government must encourage commercial banks and microfinance institutions to make loan products more accessible to micro and small women-owned businesses. At the same time, the AWCCI and other stakeholders can provide training in financial literacy and loan management.



NIMRUZ

INTRODUCTION

Nimruz province, located in the southwestern corner of Afghanistan, is one of the largest provinces in terms of geographic area. Nimruz shares international borders with Iran to the west and Pakistan to the south. Of the total population of approximately 183,000 persons, the vast majority, over 83 percent, live in rural communities. Agricultural activities are the dominant source of income in Nimruz, with 44.1 percent of the workforce engaged in this sector. This is followed by employment in the services sector (38.3 percent), and finally the manufacturing sector (17.7 percent). Adult literacy rates (persons 15-years-old and older) in Nimruz province are quite low. Out of the entire adult population, only 31.2 percent are functionally literate.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI national database of women-owned businesses includes nine licensed women-owned businesses and 19 unlicensed businesses. The licensed businesses were primarily involved in manufacturing (33.3 percent), food production and processing (33.3 percent), education (11.1 percent), and clothing/handicrafts production (11.1 percent), while the unlicensed businesses were concentrated in clothing/handicrafts production (73.7 percent) and food production and processing (15.8 percent).

In the area of startup financing, 20 out of the 28 women-owned businesses in the database had utilized personal savings to launch their enterprises. Five businesses had received loans from friends and family, while three were able to access grants from development sector projects. None of the businesses had received loans from banks to use as startup capital.

The vast majority of the women owners of these 28 businesses (over 80 percent) had received a secondary or higher level of education. Only 17.9 percent reported to the AWCCI that they had not completed any formal education. 32.1 percent of the businesswomen had earned bachelor or associate’s degrees, while zero percent had completed any graduate-level education.

Over half of the 28 businesses, 53.6 percent, reported to the AWCCI that they had used social media platforms for business development and marketing. When disaggregating licensed and unlicensed businesses, around 63.2 percent of unlicensed businesses claimed to use social media platforms, compared to only around 33.3 percent for licensed businesses. This distribution is reversed in most other provinces.

CHALLENGES AND SOLUTIONS AT THE PROVINCIAL LEVEL

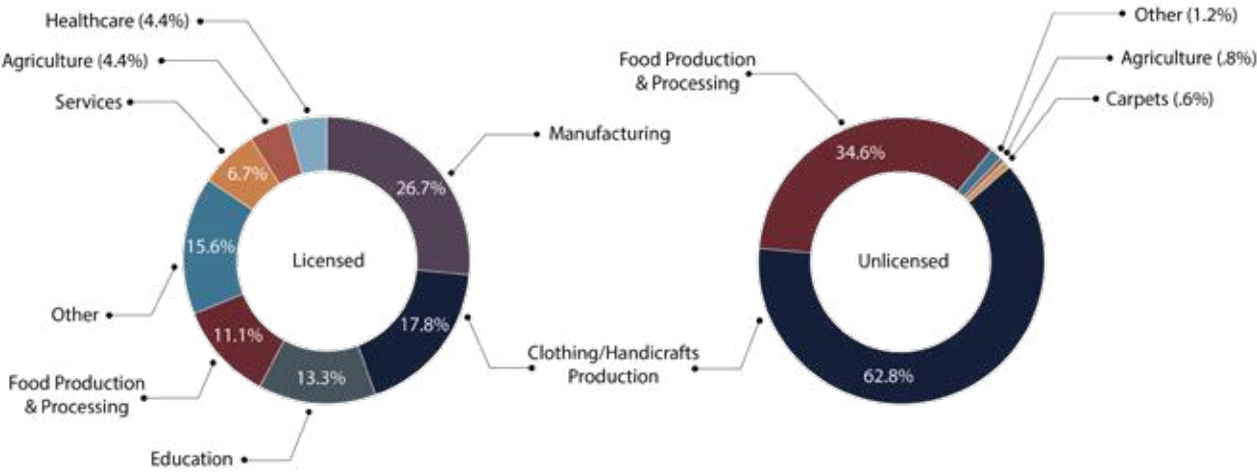
In order to better understand the situation on the ground in Nimruz province, the AWCCI engaged both provincial-level Government officials and 37 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The

AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<b>Lack of physical markets:</b> The lack of a physical market location for women-owned businesses in Nimruz is an impediment to increasing sales.	With the support of stakeholders like the AWCCI, the businesswomen of Nimruz must organize effectively in order to advocate for the construction of a dedicated women’s market in the provincial capital of Zaranj. The Governor, provincial Department of Urban Development & Land, and mayor’s office should support a separate space for women-owned businesses to sell their products.
<b>Lack of inclusion in national and regional trade exhibitions:</b> The businesswomen of Nimruz have little to no representation at national and international trade exhibitions. This is the result of two factors; 1.) the lack of financial resources to pay for travel and registration fees, and 2.) the lack of product quality control and packaging necessary to conform to the standards of Afghanistan’s urban hubs and regional markets.	This challenge must be addressed by all stakeholders in Afghan women’s economic development. The Ministry of Industry & Commerce (MoIC), with the support of the AWCCI, must monitor this issue and ensure that women from rural provinces like Nimruz are contacted and invited to participate in exhibitions. When possible, financial support for logistics costs could be provided as grants.
<b>Minimal domestic networking:</b> The businesswomen of Nimruz have few networking connections to other businesses within their industry in other provinces.	The AWCCI recommends the planning and implementation of exposure visits so that women business owners can learn new production methods and best practices from their peers in other provinces.

Figure 30:  
Sectors of Operation [Nangarhar]





Government Services	
Challenges & Constraints	Solutions
<b>Obstacles to business licensing:</b> Nimruz is one of 12 rural Afghan provinces that does not have a Department of Industry & Commerce (DoIC). Nimruzi businesswomen interested in licensing their business must make the tedious journey to Herat City.	The Ministry of Industry & Commerce (MoIC) has offices for business licensing in 22 provinces of Afghanistan. An expansion into the remaining 12 provinces is urgently required.
Development Assistance	
Challenges & Constraints	Solutions
<b>Lack of inclusion in development programs:</b> Development programs funded by the Afghan Government and international development organizations have largely ignored Nimruz province. For the aspiring Afghan businesswomen of Nimruz, who already face a severe uphill battle due to societal and economic challenges, the lack of support is particularly detrimental to their odds of successfully operating a business.	At present, the businesswomen of Nimruz do not have the capacity to effectively communicate their concerns to Government bodies and development agencies. This issue must be addressed through advocacy/ leadership skills training provided by the AWCCI and other stakeholders. Relevant Afghan Government entities – in particular the Ministry of Women’s Affairs (MoWA) – along the AWCCI and others, should raise the issue of inclusive development programming with both government non-government organizations involved in economic development.
<b>Sector-specific support:</b> Participants in the FGDs and KIIs specifically mentioned the beauty salon industry as a promising, culturally accepted activity for Nimruzi businesswomen. This industry could grow further with Government and/or development sector support.	The businesswomen of Nimruz must be connected with financial institutions or donor agencies to grow this viable sector.

NURISTAN

**INTRODUCTION**  
Nuristan is located in Afghanistan’s far east and is one of the country’s most remote and inaccessible provinces. Although Nuristan shares a border with Pakistan there are no major trade corridors that run through the province due to its location on the frontier. The total population of Nuristan is close to

800,000 persons, of whom 96.3 percent live in rural communities. 53.2 percent of the working population of Nuristan is engaged in the agriculture sector, followed by 41.4 percent in the services industry, and the remaining 5.4 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 27.5 percent.

**OVERVIEW OF WOMEN-OWNED BUSINESSES**

The AWCCI national database of women-owned businesses does not contain any entries for Nuristan province. The sources that the AWCCI interviewed in Nuristan reported that women were active in a number of economic activities, primarily operating out of the home, to include tailoring, handicrafts, animal husbandry, and food production and processing. Like women-owned businesses in other underdeveloped provinces, they face a wide array of challenges that range from limited access to finance to a lack of skills, equipment and market access.

Challenges and Solutions at Provincial Level  
In order to better understand the situation on the ground in Nuristan province, the AWCCI conducted several key informant interviews (KIIs) with local Government officials. These included the provincial Director of Women’s Affairs Department, the provincial Director of Commerce & Trade, and members of the Provincial Council. Based on these KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>Lack of knowledge on how to launch an enterprise:</b> Women are unaware of how to start a business. There is very little (if any) capacity-building support available for women entrepreneurs in Nuristan province.	Further effort must be undertaken to connect with aspiring women entrepreneurs in Nuristan, identify their needs, and design training programs to increase their chances of success in launching a business.

PAKTIA

**INTRODUCTION**

Paktia is located in southern Afghanistan and shares an international border with Pakistan to the province’s southeast. The population of Paktia is upwards of 611,000 persons, approximately 95.4 percent of whom live in rural communities. The services sector is the dominant source of income in Paktia (43.4 percent of the workforce), followed by agriculture (39.7 percent), and finally manufacturing (16.9 percent). The adult literacy rate in Paktia (aged 15 years and older) is 26 percent.

Overview of Women-Owned Businesses  
The national-level database maintained by the AWCCI includes detailed information on six licensed women-owned businesses and 454 unlicensed businesses. The database also includes general information on 1,281 unlicensed businesses provided by development

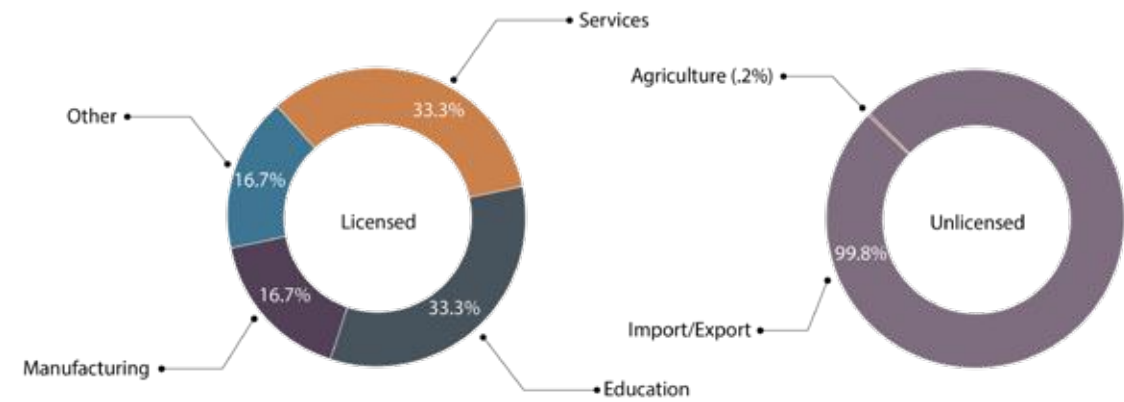
agencies and microfinance institutions. It is important to note that data from this sample of 1,281 businesses is not covered in the text below.

The six licensed businesses are engaged in services, education, and manufacturing, with one business in a sector not tracked by the AWCCI. All six licensed businesses were launched with capital drawn from personal savings. In sharp contrast, 97.8 percent of unlicensed businesses received some type of financing from development sector programs. This suggests that a women’s economic development program has been operating in Paktia in recent years, although this must be examined further.

The level of education of licensed vs. unlicensed businesses owners is atypical compared to the national average, although it is difficult to draw any definitive conclusions from such a small



Figure 33:  
Sectors of Operation [Paktia]



sample size. The licensed business owners were more likely to have completed some type of higher education compared to their unlicensed peers (33.3 percent vs. zero percent), but were also more likely to have no formal education (66.7 percent vs. 54.8 percent).

Most of the licensed businesses (83.3 percent of the total) had been established more than five years ago, while 100 percent of the unlicensed businesses had been launched within the last 5 years. A minority of licensed businesses (33.3 percent) reported to the AWCCI that they were active promoting their business on social media platforms. This figure drops to less than one percent among unlicensed businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Paktia province, the AWCCI engaged both provincial-level Government officials and 21 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<b>Lack of physical markets:</b> The businesswomen of Paktia lack a dedicated women’s market to connect with female consumers.	Organized advocacy must take place in Paktia, led by local businesswomen, to push for the establishment of a women’s market
<b>Low participation rates in national and regional trade exhibitions:</b> Women-owned businesses in Paktia have low rates of participation in national and regional trade exhibitions. This limits the opportunities of these businesses to connect with buyers outside of their local communities.	The AWCCI and other stakeholders must ensure that the women-owned businesses of Paktia and other rural provinces are provided all the support needed to participate in national and regional trade exhibitions. Special effort must be made to ensure that such exhibitions have a diversity of provinces represented.

PAKTIKA

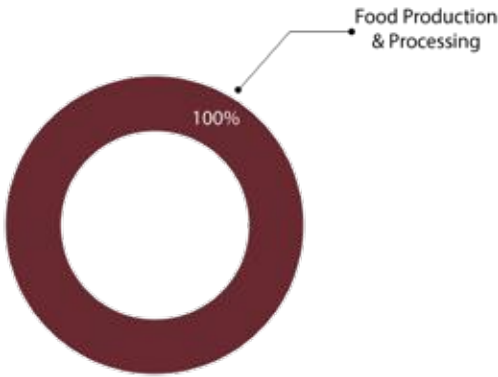
INTRODUCTION

Paktika is located in southern Afghanistan and shares a long stretch of border with Pakistan. The total population of the province is approximately 800,000 persons, of whom approximately 63 percent live in rural communities. 53.2 percent of the working population of Paktika is engaged in the agriculture sector, followed by 41.4 percent in the services industry, and the remaining 5.4 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 34.1 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI does not include any entries for Paktika province. The provincial Director of Women’s Affairs in Paktika reported to the AWCCI that women were economically active in the province, primarily in the areas of dairy processing, the production of pickled vegetables, chicken farming, and tailoring.

Figure 34:  
Sectors of Operation [Paktika]



PANJSHIR

INTRODUCTION

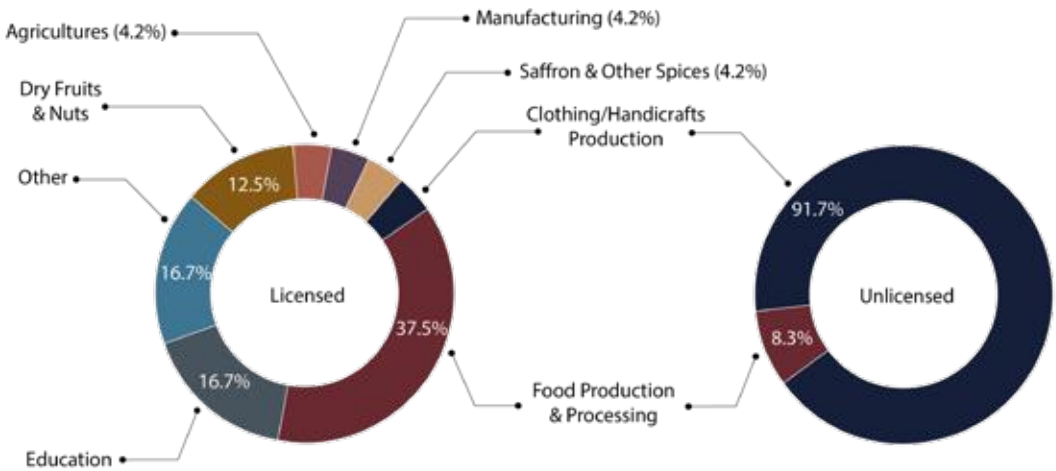
Panjshir province is located in central Afghanistan, north of Kabul, and is distinguished by an expansive valley that can only be accessed through a single mountain pass. Panjshir has a total population of approximately 170,000 persons, all of whom live in rural communities. Agriculture employs 70.6 percent of the Panjshiri workforce, followed by the services sector at 18.4 percent, and manufacturing at 11 percent. Panjshir is the central hub in Afghanistan for the mining of emeralds and other precious gemstones, although mining operations are rudimentary (and often conducted illegally), with little to no value addition actually taking place within the province.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes four licensed women-owned businesses and 58 unlicensed businesses. While it is not possible to draw conclusions from such a small sample size, the four licensed businesses in Panjshir each accessed financing through different channels; one through personal savings, one through loans from relatives, one through bank loans, and one through assistance from a development program. Among the 12 unlicensed businesses in the database, 10 had drawn on personal savings to launch their business, while two had been able to acquire funding through development programs.



Figure 35:  
Sectors of Operation [Panjshir]



The difference in the level of education between licensed and unlicensed women business owners is unremarkable. Licensed business owners were moderately more educated, with 75 percent having completed some form of higher education compared to 41.7 percent of unlicensed business owners. In both groups, 25 percent of business owners had not completed any formal education.

Licensed businesses were more well-established than their unlicensed counterparts, but only by a slim margin. 75 percent of licensed business owners had been operating for six or more years, compared to 66.7 percent of unlicensed business owners. In the area of business development and marketing, half of the licensed businesses reported to the AWCCI that they were promoting their products and services on social media platforms, while the remaining two had not.

Only 17 percent of unlicensed businesses from Panjshir had engaged in marketing activities on social media platforms.

**CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL**

In order to better understand the situation on the ground in Panjshir province, the AWCCI engaged both provincial-level Government officials and 58 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Representation of Women in Key Industries	
Challenges & Constraints	Solutions
<p><b>Lack of female representation in tourism industry:</b> Panjshir province is a popular destination in the warmer months of the year due to its scenic mountain views and high degree of security. While tourists represent a viable source of income through tour services and handicrafts sales, Panjshiri businesswomen have had little success penetrating this industry.</p>	<p>Efforts must be made to examine the reasons why so few Panjshiri businesswomen view the tourism industry as an attractive investment. If the obstacle is primarily cultural conservatism, then leaders of Panjshiri communities can be engaged to promote the benefit of women contributing income to their households through enterprises catering to tourists.</p>

PARWAN

**INTRODUCTION**

Parwan is located immediately north of Kabul province in central Afghanistan and serves as a major transit province for goods going to and from northern Afghanistan and beyond. The population of Parwan is upwards of 730,000, approximately 90.1 percent of whom live in rural communities. The majority of the workforce (56 percent) is engaged in the agriculture sector, with 32.2 percent working in services, and the remaining 11.6 percent working in manufacturing. Key products of Parwan include handicraft items, clothing, cotton, dairy products, embroidered items, jams, vegetable pastes, pickled vegetables, and baked goods. The adult literacy rate (15 years and older) is 41.4 percent.

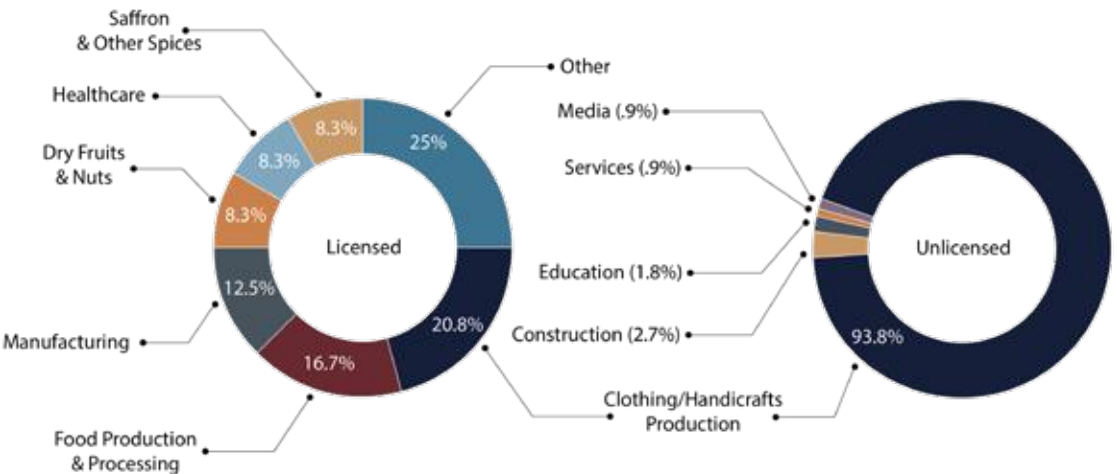
**OVERVIEW OF WOMEN-OWNED BUSINESSES**

The national-level database maintained by the AWCCI includes 24 licensed women-owned business and 113 unlicensed businesses operating in Parwan province. The licensed businesses operate in six sectors tracked by the AWCCI, primarily clothing/handicrafts production (20.8 percent), food production and processing (16.7 percent), and logistics (12.5 percent). The unlicensed businesses operate across five sectors, with clothing/handicrafts as the preminent sector (93.8 percent).

The licensed businesses were primarily funded with personal savings (91.7 percent of the total) with one licensed business having received loans from family members, and one having received a loan from a bank. Remarkably, 62.8 percent of unlicensed businesses reported to the AWCCI that they had received some type of financial assistance from development programs in order to launch their businesses. This would indicate a high level of development sector activity in support of women’s economic development in Parwan, likely related to its close proximity to Kabul.

While the education level of both licensed and unlicensed business owners in Parwan province is less than the national average, the disparity in education between the two groups is even more severe. 25 percent of licensed business owners had completed some level of higher education, compared to just 1.8 percent of unlicensed business owners. On the opposed end of the spectrum, 33.3 percent of licensed business owners had not completed any formal education, a figure that more than doubles among unlicensed business owners (79.6 percent).

Figure 36:  
Sectors of Operation [Parwan]





Licensed businesses were more well-established than their unlicensed peers, with the majority (58.3 percent) having been in operation for six or more years. In contrast, 69.9 percent of unlicensed businesses had been established in just the last five years. Licensed businesses were also much more likely to use social media platforms, with half reporting to the AWCCI that they were active promoting their businesses on Facebook, Instagram, and other sites. This figure drops to just 12.4 percent among unlicensed businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Parwan province, the AWCCI engaged both provincial-level Government officials and 50 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>Lack of capacity-building opportunities:</b> The businesswomen of Parwan have reported that they lack critical skills in business and have few opportunities locally to participate in training programs.	Stakeholders in Afghan women’s economic development must work to make business training opportunities available to as many provincial businesswomen as possible. Parwan province borders Kabul province, and the commute to Kabul City is relatively secure. As such, short courses targeting the businesswomen of Parwan may be a good starting point in the long-term mission to extend the availability of training outwards from Kabul.
Markets	
Challenges & Constraints	Solutions
<b>Difficulty connecting with buyers:</b> There is no dedicated women’s market in Parwan province, and additionally the businesswomen of Parwan report that they have not been effective in penetrating the Kabul market despite its close proximity.	The businesswomen of Parwan must organize and advocate for the allocation of real estate for a women’s market in the provincial capital of Charikar. The AWCCI can do its part by organizing networking events for the businesswomen of Parwan with the objective of increasing sales opportunities in Kabul.

Capital	
Challenges & Constraints	Solutions
<b>Lack of access to capital:</b> One point that was raised repeatedly during the FGD and KII process was the difficulty accessing capital for startup and expansion purposes.	The AWCCI and other stakeholders can hold information sessions for the businesswomen of Parwan to introduce them to various lending institutions and provide a basic introduction to the process of applying for a loan.

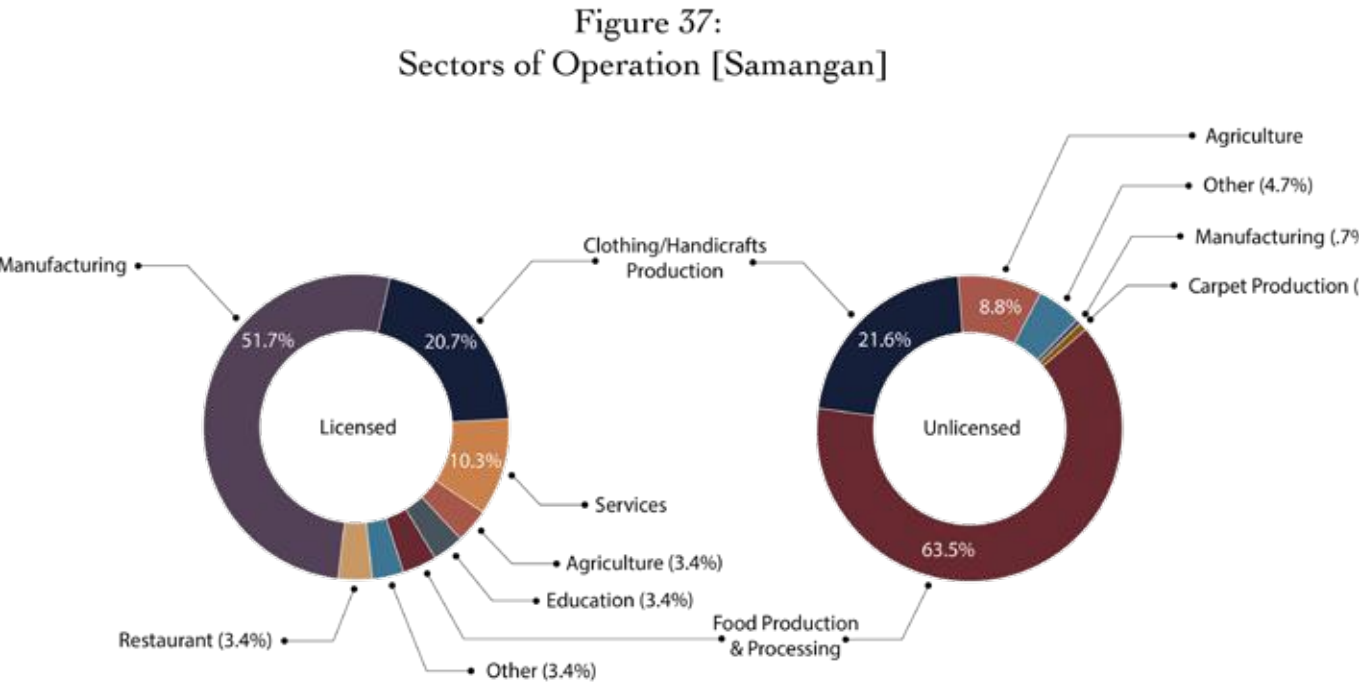
SAMANGAN

INTRODUCTION

Samangan is located in Afghanistan’s north, sharing a border with five other Afghan provinces (including Balkh province). The total population exceeds 430,000 persons, approximately 92 percent of whom live in rural communities. Agriculture is the main driver of the Samangani economy, employing approximately 41.2 percent of the workforce. This is followed by employment in the services sector (29.5 percent) and finally manufacturing (29.3 percent). The adult literacy rate (aged 15-years and older) in Samangan is 24 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes 29 licensed women-owned businesses and 148 unlicensed businesses operating in Samangan province. Among licensed businesses, the majority (51.7 percent) were involved in manufacturing, followed by clothing/handicrafts production (20.7 percent), and finally services (10.3 percent), with the remaining number spread out over several other sectors. The unlicensed businesses, on the other hand, were primarily concentrated in the food production and processing sector





(6.5 percent), with 21.6 percent engaged in handicrafts/clothing production, and just 8.8 percent working in the agriculture sector.

The licensed businesses in the sample relied primarily on personal savings as startup capital (69 percent of the total). Of the remaining businesses, 17.2 percent borrowed money from relatives, 10.3 percent were able to access loans from banks, and 3.4 percent received some type of funding from development sector programs. In contrast, a plurality of unlicensed businesses (43.2 percent) received funding from development programs. A large minority of unlicensed businesses (40.5 percent) drew on personal savings to launch their enterprises, with 15.5 percent receiving loans from family members, and .7 percent obtaining loans from banks.

As is the case in most other provinces, licensed business owners were more educated than their unlicensed peers. 27.6 percent of licensed business owners had completed some form of higher education, compared to just 5.4 percent of unlicensed business owners. On the other end of the spectrum, 34.5 percent of licensed business owners had not completed any formal education, a figure that jumps to 66.2 percent among unlicensed business owners.

The disparity in education between licensed and unlicensed business owners may explain the significant gap in digital literacy between these two groups. 41 percent of licensed business owners reported to the AWCCI that they utilized social media platforms to promote their products and services. This figure drops to just 4 percent among unlicensed businesses.

The licensed businesses in the Samangan sample were more well-established than their unlicensed counterparts; 51.7 percent had been in operation for six or more years, compared to 20.3 percent of unlicensed businesses.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Samangan province, the AWCCI engaged both provincial-level Government officials and 70 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>Lack of business education opportunities:</b> The businesswomen of Samangan have expressed frustration at the lack of basic business education programs available. This has prevented many businesswomen from gaining a foundation of knowledge in such topics as financial accounting, marketing, and operational management.	The AWCCI and other stakeholders in Afghan women’s economic development must develop a strategy to provide short courses in basic business skills to provincial businesswomen. Provided that funding is available, these short courses can be conducted in Kabul, with networking events and exposure visits to similar businesses incorporated into the program.
Marginalization	
Challenges & Constraints	Solutions
<b>Marginalization by the provincial government:</b> The businesswomen of Samangan expressed frustration that they were not being considered in business events organized by the provincial Government.	As with the issue of women’s markets, this situation can only be resolved if the businesswomen of Samangan can become organized and collectively demand inclusion by the provincial Government. The AWCCI can play a supportive role, but any advocacy at the provincial level must be led by the businesswomen of Samangan themselves.

Markets	
Challenges & Constraints	Solutions
<b>Lack of women’s markets:</b> There are no women’s markets in Samangan. The result is that women business owners have difficulty connecting with women consumers.	The businesswomen of Samangan must achieve some level of organization in order to advocate to provincial Government officials to allocate suitable real estate for a women’s market. The AWCCI can support this effort, but ultimately there must be a critical mass of businesswomen who are prepared to fight for their own commercial area.

SAR-E-PUL

INTRODUCTION

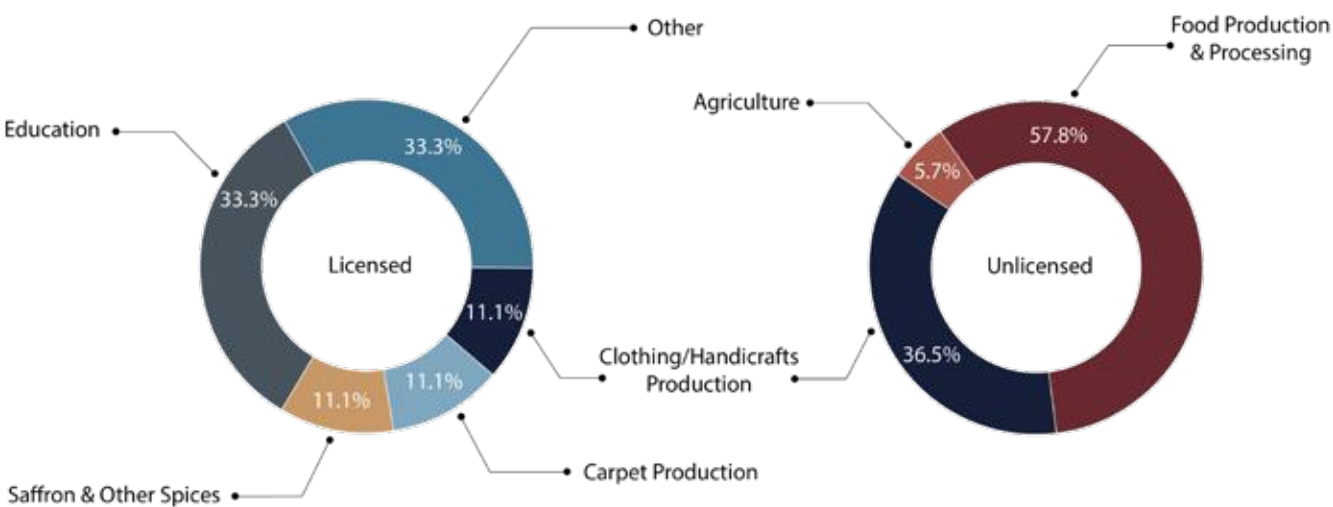
Sar-e-Pul is located in Afghanistan’s north, sharing a border with six other Afghan provinces (including Balkh province). The total population exceeds 620,000 persons, approximately 92 percent of whom live in rural communities. Agriculture is the main driver of the provincial economy, employing approximately 66.8 percent of the workforce. This is followed by employment in the manufacturing sector (18.7 percent) and finally services (14.4 percent). The adult literacy rate (aged 15-years and older) in Sar-e-Pul is 26.6 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes nine licensed women-owned businesses and 244 unlicensed businesses operating in Sar-e-Pul province. Among licensed businesses, three were engaged in the education sector, with one each distributed among carpet production, clothing & handicrafts production, and saffron & other spices production and sales. The three remaining licensed businesses were involved in sectors not tracked by the AWCCI. The unlicensed businesses, on the other hand, were concentrated in the food production



Figure 38:  
Sectors of Operation [Sar-e-Pul]



& processing (57.8 percent) and clothing & handicrafts (36.5 percent) sectors.

The licensed businesses in the sample relied primarily on personal savings as startup capital (88.9 percent of the total). Of the remaining businesses, 11.1 percent borrowed money from relatives. In contrast, the vast majority of unlicensed businesses (81.6 percent) received funding from development programs. Only 18.4 percent drew on personal savings to launch their enterprises.

As is the case in most other provinces, licensed business owners were more educated than their unlicensed peers. 66.7 percent of licensed business owners had completed some form of higher education, compared to just 2 percent of unlicensed business owners. On the other end of the spectrum, 33.3 percent of licensed business owners had not completed any formal education, a figure that jumps to 59.4 percent among unlicensed business owners.

The disparity in education between licensed and unlicensed business owners may explain the significant gap in digital literacy between

these two groups. 44.4 percent of licensed business owners reported to the AWCCI that they utilized social media platforms to promote their products and services. This figure drops to just 2.9 percent among unlicensed businesses.

The licensed businesses in the Sar-e-Pul sample were more well-established than their unlicensed counterparts; 44.4 percent had been in operation for six or more years, compared to 6.1 percent of unlicensed businesses.

**CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL**

In order to better understand the situation on the ground in Samangan province, the AWCCI engaged both provincial-level Government officials and 72 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
Lack of capacity to seize sales opportunities at trade exhibitions: The businesswomen of Sar-e-Pul women have not received sufficient training to successfully participate in national and regional trade exhibitions.	Stakeholders in Afghan women’s economic development must work together to plan and implement programs that prepare provincial businesswomen, including those from Sar-e-Pul, in the skills necessary to register to participate in trade exhibitions and build long-term relations with buyers at these events.

TAKHAR

**INTRODUCTION**

Takhar is located in Afghanistan’s far north and shares a border with Tajikistan. The total population of the province is upwards of 545,000 persons, of whom 72.7 percent live in rural communities. 39.3 percent of the working population of Takhar is engaged in the agriculture sector, followed by 37.8 percent in the services industry, and the remaining 22.9 percent in services. The adult literacy rate (aged 15 years and older) is 68.1 percent.

**OVERVIEW OF WOMEN-OWNED BUSINESSES**

The AWCCI database of women-owned businesses contains 231 entries for Takhar, of which 8 are licensed businesses and the remaining 223 are unlicensed. The licensed businesses are fairly evenly distributed across four sectors: manufacturing (37.5 percent), education (25 percent), clothing/handicrafts production (12.5 percent), and food production and processing (12.5 percent). The single remaining business is engaged in a sector not tracked by the AWCCI. The unlicensed businesses operate across six sectors, although the overwhelming majority (84.8 percent) are concentrated in clothing/handicrafts production.

Both licensed and unlicensed businesses largely relied on personal savings to finance their launch (75 percent and 92.8 percent,

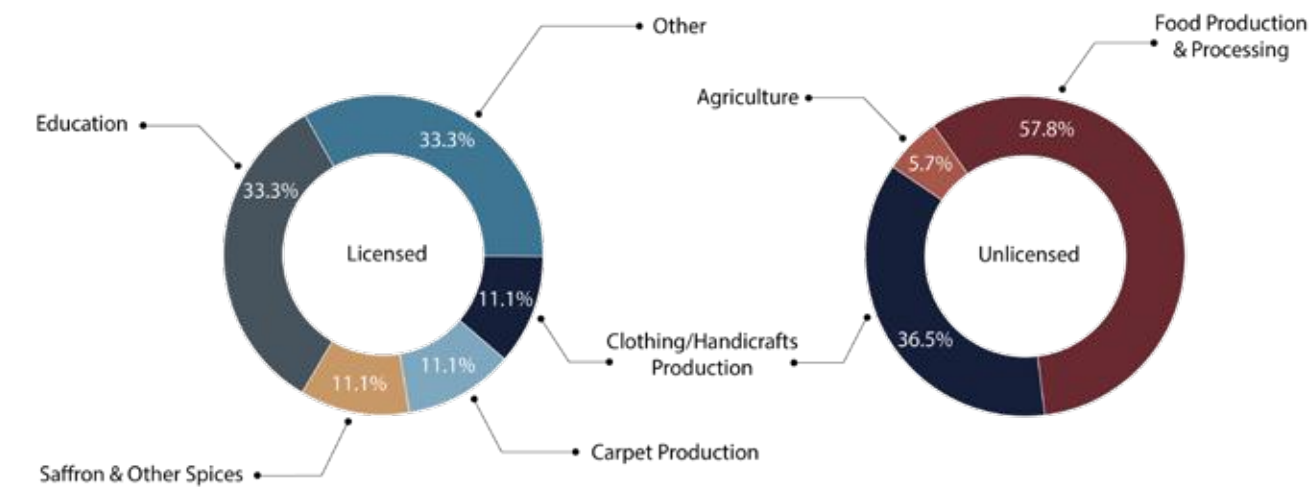
respectively). Among the remaining two unlicensed businesses, one had had received a loan from family members, and the other had received a bank loan. Among unlicensed businesses, 5.4 percent had accessed loans from banks, while .4 percent drew on loans from family members. The remaining 1.3 percent of unlicensed businesses had secured some type of financing from a development program.

In the education sphere, licensed business owners were moderately more educated than their unlicensed peers. 50 percent of licensed business owners had completed some form of higher education, compared to 28.3 percent of unlicensed business owners. The percentage of business owners who had not completed any formal education, on the other hand, was nearly identical among the licensed and unlicensed samples: 50 percent and 52 percent, respectively.

The licensed businesses were more well-established than their unlicensed counterparts, with a 100 percent of the licensed businesses having been in operation for six or more years compared to 46.2 percent of unlicensed businesses. Only 25 percent of licensed businesses reported to the AWCCI that they used social media platforms to promote their products and services. This figure drops further to 6.7 percent among unlicensed businesses.



Figure 38:  
Sectors of Operation [Sar-e-Pul]



## URUZGAN

### INTRODUCTION

Uruzgan is located in south-central Afghanistan and is one of the country's least-developed provinces. The total population of the province is upwards of 436,000 persons, of whom approximately 86.3 percent live in rural communities. 54.7 percent of the working population of Uruzgan is engaged in the agriculture sector, followed by 23.2 percent in manufacturing, and the remaining 22.1 percent in services. The adult literacy rate (aged 15 years and older) is 33.4 percent.

### OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI database of women-owned businesses contains 55 entries for Uruzgan, of which 3 are licensed businesses and the remaining 52 are unlicensed. The licensed businesses are engaged in education and manufacturing, with one working in a sector not tracked by the AWCCI. The overwhelming majority of unlicensed businesses (94.2 percent) are engaged in clothing/handicrafts, with the remaining 5.8 percent working in food production and processing. All of the businesses in the Uruzgan sample, both licensed

and unlicensed, were financed with personal savings.

The owners of licensed businesses had completed significantly more higher education than their unlicensed peers (33.3 percent vs. 3.8 percent). With that said, a majority of licensed business owners (66.7 percent) had not completed any formal education. This figure increases to 86.5 percent among unlicensed business owners.

The licensed businesses were all well-established, with 100 percent having been in operation for six or more years. This figure drops to 60 percent among unlicensed businesses. None of the licensed or unlicensed businesses used social media platforms to promote their products or services.

### CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

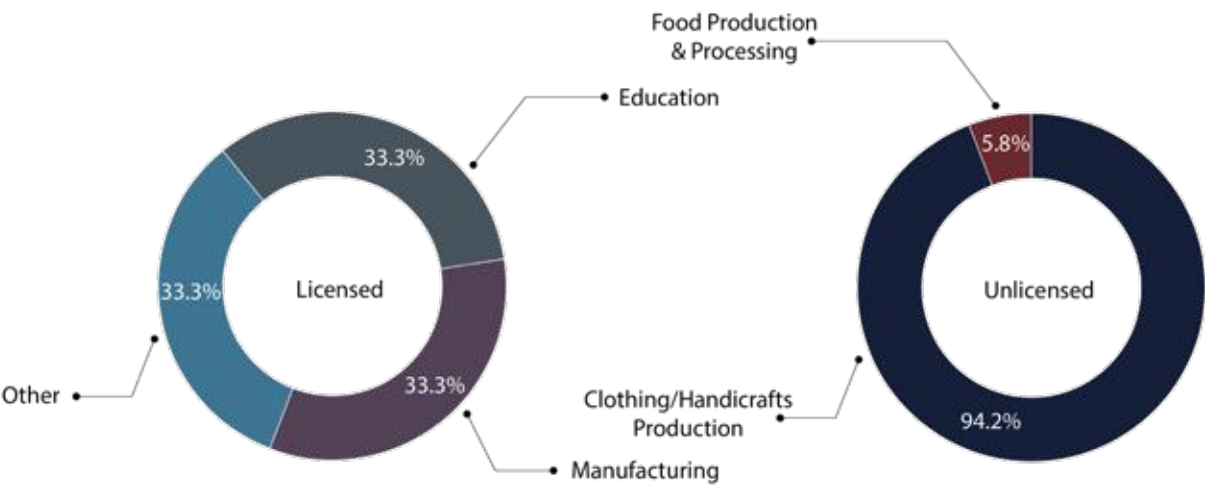
In order to better understand the situation on the ground in Uruzgan province, the AWCCI engaged both provincial-level Government officials and 15 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs) for the

WNBA. The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Capacity	
Challenges & Constraints	Solutions
<b>Lack of equipment:</b> Businesses operating in various sectors, from clothing/handicrafts production to food processing, have reported that they do not have the equipment necessary to achieve their potential.	Various options should be examined that would allow micro and small women-owned businesses in Uruzgan to obtain the hardware they need to grow and prosper. This includes looking at commercial and microfinance lending options, community lending schemes, and grants from development programs.

Figure 40:  
Sectors of Operation [Uruzgan]





WARDAK

INTRODUCTION

Wardak province is located in central Afghanistan, just southwest of Kabul province. The total population of Wardak is just upwards of 660,000 thousand persons, 99.5 percent of whom live in rural communities. Agriculture is the most dominant sector in Wardak, employing 71.6 percent of the workforce, followed by services (21.2 percent), and finally manufacturing (7.2 percent). The adult literacy rate (aged 15 years and older) is 37.5 percent.

OVERVIEW OF WOMEN-OWNED BUSINESSES

The national-level database maintained by the AWCCI includes three licensed women-owned businesses and seven unlicensed businesses operating in Wardak province. The three licensed businesses are engaged in dry fruits processing, manufacturing, and one other sector that is not tracked by the AWCCI. All of the unlicensed businesses are engaged in clothing/handicrafts production.

The licensed businesses in Wardak accessed startup capital from three different sources: personal savings, loans from family members, and a bank loan in one case. Among unlicensed businesses, one received loans from family members, three tapped into personal savings, and three accessed some type of financial support from development programs.

The licensed business owners were more educated than their unlicensed peers, and additionally the licensed businesses were more well-established. 66.7 percent of licensed businesses had been in operation for six or more years, compared to just 14.3 percent of unlicensed businesses. All of the licensed and unlicensed business owners in the Wardak sample reported to the AWCCI that they were not active promoting their businesses on social media platforms.

CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

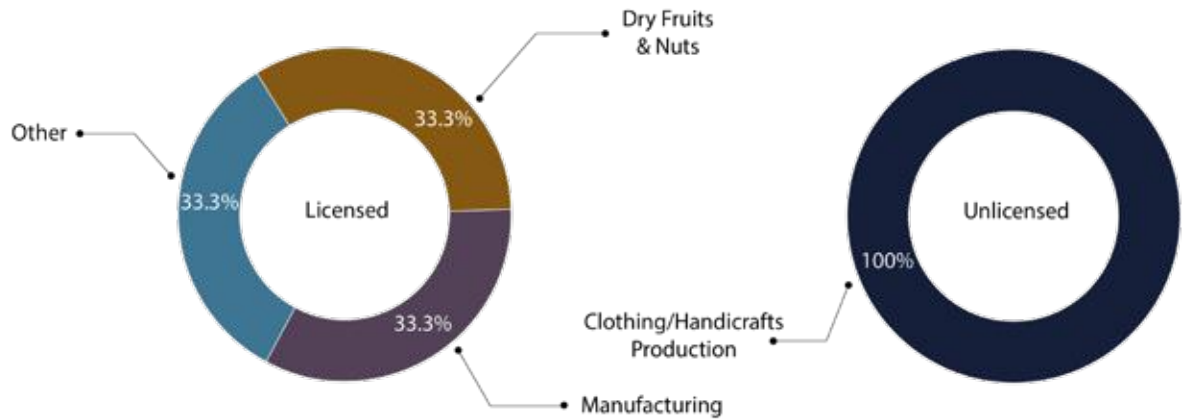
In order to better understand the situation on the ground in Wardak province, the AWCCI engaged both provincial-level Government officials and 11 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs). The AWCCI

worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Markets	
Challenges & Constraints	Solutions
<b>Difficulty reaching consumers locally and in Kabul:</b> The businesswomen of Wardak struggle to directly connect with buyers locally and in neighboring Kabul. As a result, their profit margins are reduced by the middlemen who are moving their products.	A physical space should be allocated for women’s businesses in Wardak. Training in marketing and sales should also be arranged for the businesswomen of Wardak to assist them in directly reaching consumers.
Capacity	
Challenges & Constraints	Solutions
<b>Lack of technical skills and foundational business skills:</b> The businesswomen of Wardak have reported to the AWCCI that they need training in financial literacy, as well as technical skills in performing value addition to Wardak’s wide variety of agricultural products.	A vocational training center in Wardak should be established to continuously provide training to women in both foundational business skills and food processing. Wardak province is noteworthy for its apple and apricot harvests, and both of these fruits are in high demand once dried or prepared as jams.

Figure 41:  
Sectors of Operation [Wardak]





# ZABUL

### INTRODUCTION

Zabul province is located in a semi-mountainous region of southern Afghanistan and shares a border with neighboring Pakistan. The total population of the province is upwards of 384,000 persons, of whom 96.6 percent live in rural communities. 66.3 percent of the working population of Zabul is engaged in the agriculture sector, followed by 23.6 percent in the services industry, and the remaining 10.1 percent in manufacturing. The adult literacy rate (aged 15 years and older) is 17.2 percent.

### OVERVIEW OF WOMEN-OWNED BUSINESSES

The AWCCI database of women-owned businesses contains 36 entries for Zabul, of which four are licensed businesses and the remaining 32 are unlicensed. Two of the licensed businesses operate in the clothing/handicrafts production sector, and one is engaged in manufacturing. The fourth licensed business is operating in a sector not tracked by the AWCCI. The unlicensed businesses in the sample are primarily engaged in clothing/handicrafts production (53.1 percent) and food production and processing (37.5 percent).

Both licensed and unlicensed businesses were primarily funded using personal savings (100 percent and 71.9 percent, respectively). 28.1 percent of unlicensed businesses were able to receive some form of funding from development sector programs. None of the businesses in the Zabul sample had received loans from banks or microfinance institutions.

Of the four licensed business owners in the sample, all had completed some level of secondary education. Among the unlicensed business owners, 12.5 percent had completed some level of secondary education, and 37.5 percent had done some level of primary and secondary education. 50 percent of unlicensed business owners had not completed any formal education.

The licensed businesses in the sample were significantly more well-established than their unlicensed counterparts; 50 percent had been in operation for six or more years, compared to just 18.8 percent of unlicensed businesses.

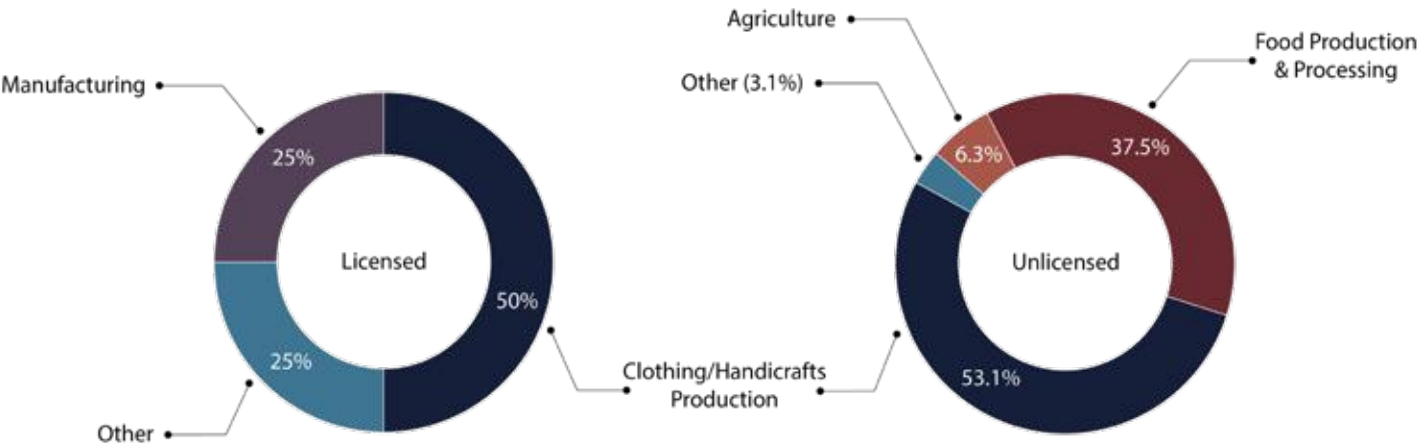
A minority of licensed businesses (25 percent) reported to the AWCCI that they were promoting their products and services on social media platforms. This figure drops to 15.6 percent among unlicensed businesses.

### CHALLENGES AND SOLUTIONS AT PROVINCIAL LEVEL

In order to better understand the situation on the ground in Zabul province, the AWCCI engaged both provincial-level Government officials and 58 women business owners through focus group discussions (FGDs) and key informant interviews (KIIs) for the WNBA. The AWCCI worked to ensure that the businesses were drawn from a range of sectors with owners of varying ages and socio-economic backgrounds.

Based on these FGDs and KIIs, the AWCCI has developed the following table of challenges and proposed solutions.

Figure 42:  
Sectors of Operation [Zabul]



Advocacy	
Challenges & Constraints	Solutions
<p><b>Lack of organized advocacy:</b> At present, organizations that are mandated to support women-owned businesses to include AWCCI itself, are not organized or coordinated within the province. The result is a lack of understanding of the challenges that women-owned businesses face in Zabul, thereby making advocacy efforts even more difficult to pursue.</p>	<p>Women business owners must be provided with advocacy, leadership, and business management training, so that they can gain the confidence to organize themselves. It is important that the businesswomen of Zabul organize themselves organically, without groups or associations set up by outsiders from Kabul and the other big cities. The AWCCI, with support from stakeholders, can help create an initial advocacy committee, but ultimately the businesswomen of Zabul must take ownership of the process.</p>



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