
Self-Reliance through Mutual Accountability Framework (SMAF)

Second Senior Officials Meeting

Kabul, Afghanistan, 5 September 2015

Co-Chairs' Statement

1. The Second Senior Officials Meeting (hereinafter called "the Meeting") was held on 5 September 2015 in Kabul, Afghanistan. The meeting was a continuation of the high level meetings held every year to follow up on the new phase of partnership initiated at the Tokyo Conference (July 2012), based on principles of mutuality and accountability, through the Tokyo Mutual Accountability Framework (TMAF). This was the first high level meeting since the new National Unity Government of Afghanistan presented its reform plan at the London Conference on Afghanistan that was held on 4 December 2014. The purpose of the Meeting was to review progress since the presentation of the Self-Reliance reform program, discuss key policy issues, and to jointly decide the way forward.

2. The Meeting was co-chaired by the Minister of the Finance of the Islamic Republic of Afghanistan and the Special Representative of the United Nations Secretary General to Afghanistan. Delegations from 41 countries and 11 international agencies along with ministers and senior officials of the Afghan Government and representatives of Afghan civil society and private sector attended the Meeting.

3. At the outset of the Meeting, the National Unity Government thanked the International Community for its continuous and generous support. In his keynote address, H.E. the President of the Islamic Republic of Afghanistan reiterated the commitment of the Government to proceed with the political, economic, governance and social reforms that are needed to take Afghanistan towards peace, stability, and self-reliance. The President drew attention to the difficult environment that confronts Afghanistan today, which ranges from heightened insecurity caused by terrorism and region-based insurgency, to a challenging legacy that includes deeply embedded waste, corruption, and inefficiency within state institutions. He emphasized the importance of accountability in carrying through the difficult economic reforms that will be

needed to build a competitive, export-oriented economy that increases access of Afghan farmers and businesses to neighboring markets. The President also emphasized the importance of enforcing for all citizens, Afghanistan's constitutionally bound commitment to human rights, including the rights of women and the younger generation. The President's speech highlighted the long-term nature of Afghanistan's hope for recovery from conflict, and commitment to building a partnership with the International Community that will help the Government institutionalize its reforms and make Afghanistan an anchor in a secure and prosperous Asia.

4. In his remarks, the Special Representative of the Secretary General also acknowledged the difficult economic, fiscal and security environment inherited by the Government and noted the progress made towards the implementation of the reform agenda presented at the London Conference in December 2014. The Special Representative of the Secretary General stressed that the Senior Officials Meeting provides a strong signal of international support for the demanding work that lies ahead. He highlighted the importance of the principles of mutual accountability and inclusiveness that underlie the Self-Reliance for Mutual Accountability Framework. He also reminded participants of the continuing toll taken on civilians by the conflict and called for continuous efforts to protect civilians and ensure the respect and protection of the human rights of all Afghans

5. The Minister of Finance of the Islamic Republic of Afghanistan summarized progress made by the Government since the presentation of the Self-Reliance reform plan. He elaborated the efforts that the Government has made to tackle the fiscal crisis, improve economic governance, increase regional trade and investment, and launch a dialogue with the private sector on the roadmap to create a better environment for market-driven growth. The Minister stressed that the overall economic situation remains a matter of deep concern. Reforms that address poverty, stimulate growth, create employment opportunities, and increase domestic revenue, need to be accorded the very highest priority. The Finance Minister also presented the refreshed version of the Tokyo Mutual Accountability Framework set out at the Tokyo Conference in 2012, the Self-Reliance through Mutual Accountability Framework (SMAF), which will guide the activities of the Afghan Government and the International Community at least to the end of the term of the present Government. The SMAF, as described by the Co-chairs, was agreed to in the Meeting.

6. Substantive policy discussions took place in three plenary panels on: (i) Addressing Fiscal Challenges, Creating Jobs, and Citizen's Charter; (ii) Aid Effectiveness and Infrastructure Development; and (iii) Elections, Tackling Corruption, Human Rights and Good Governance.

7. The Government reaffirmed its intention to fulfill all of its commitments under the SMAF. To help ensure that Afghanistan remains on a path towards a more sustainable future for all Afghans, the International Community reaffirmed its Tokyo commitment of providing sixteen billion US dollars through 2015, and sustaining support, through 2017, at or near the levels of the past decade. The participants stressed that sustained international support in the Transformation Decade requires resolute action by both the international community and the Afghan Government. They also acknowledged that the Government would need more flexibility in deciding allocation of funding to achieve its national priorities.

8. Participants welcomed the constitution of the Special Electoral Reforms Commission. They anticipated that the Commission's recommendations will enable timely and meaningful reforms to the electoral system that will ensure the credibility of future elections and a schedule for parliamentary elections. Participants noted that elections would be an important, but not the only, step in improving governance. They further highlighted the urgency of reforming the justice sector and delivery of priority services.

9. The participants appreciated the Government's resolve and initiatives in its fight against corruption. Addressing the culture of impunity by reforming public procurement through the National Procurement Committee; reforms to the customs and revenue departments; redefining the roles of various anti-corruption institutions; and prosecuting the Kabul Bank culprits and pushing for the recovery of funds; were acknowledged as important steps that show that the anti-corruption agenda is moving forward. In addition, participants hoped that effective measures will be taken to tackle the problems of the illicit economy, especially for countering the narcotics trade which both undermines the country and is fueling terrorism.

10. The Government reiterated its commitment to ensuring human rights equally for all citizens, including a steadfast commitment to support and empower women and in particular girls. To promote the rule of law and respect for human rights, the Government will prepare a revised penal code, develop a child act, and take continued measures for the effective implementation of the Elimination of Violence Against Women (EVAW) law. The Government

also confirmed its plans to develop a National Women's Economic Empowerment strategy, to increase the number of women serving in Government positions, and to develop the legal and policy framework for enforcing constitutional rights of all citizens, with particular regard to the needs of women, within the justice sector reform program. Finally, participants agreed that continued action is needed to address the rights and treatment of refugees.

11. The Government resolved to continue its efforts to strengthen revenue generation by implementing new revenue measures, as well as by improving enforcement mechanisms. The Government will continue its reforms in the customs and revenue departments. But the most important reforms will be those that build a vibrant private sector that can increase productivity; create and sustain jobs, access regional markets and investors, and produce wealth for the country. The Government confirmed its commitment to eliminating obstacles to business registration, increasing the ease of cross-border trade, and making the public sector investments in energy and transportation that will enable the private sector to grow, including through joint ventures and public-private partnerships involving neighboring countries. The Government will introduce a more growth enhancing tax and tariff regime, and launch a sustained dialogue with the business community on how best to encourage investment. In recognition of the Government's priority to increase revenues, participants agreed to form a joint working group to define common principles on taxation of subcontractors and national employees, and deliver recommendations which will be further explored bilaterally.

12. Participants appreciated the Government's efforts to provide villages across the country with a minimum level of basic services for health, education, clean water, and improved agriculture through the proposed Citizens' Charter. Participants also noted that Afghanistan continues to make progress toward its Millennium Development Goals (MDGs).

13. The Government confirmed its commitment to implementing a public financial management roadmap that would be built around a medium term expenditure framework. Participants support the Government's proposal to move towards sector-wide approaches as the National Priority Programs are developed and the Government's fiduciary oversight systems mature. Donors agreed to align both on and off budget invoicing scales to the Capacity Building for Results (CBR) rates as part of the overall effort to move capacity back into the Government.

14. Participants welcomed the signing of a Memorandum of Understanding (MoU) between the Government and the Civil Society to increase their mutual cooperation and engagement. The participants also noted the Government efforts to improve coordination with the private sector.

15. H.E. Dr. Abdullah Abdullah, Chief Executive of the Islamic Republic of Afghanistan, in his concluding remarks described the deliberations as “successful” and appreciated the Meeting’s “honest review, thoughtful assessment and realistic set of singular as well as collective obligations, priorities and deliverables” under SMAF.

16. Participants looked forward to the Joint Coordination and Monitoring Board Meeting in early 2016 and the Ministerial meeting, to be co-chaired by Afghanistan and the European Union, in 2016.

17. The Co-Chairs thanked the participants for their continuing support to Afghanistan at a time of constrained aid budgets in donor countries, and looked forward to another productive dialogue to review progress under the SMAF.