

Report

Strengthening Women-Led Agribusinesses in Afghanistan's Key Provinces

Insights from Provincial Officials in Herat, Kandahar, Balkh, and Nangarhar

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1. Executive Summary

This report summarizes insights from interviews with representatives of the Chamber of Commerce and Investment in Herat, Kandahar, Balkh, and Nangarhar provinces, focusing on the current business environment and challenges faced by women-led businesses, particularly in agribusiness. The representatives highlighted significant hurdles, including limited access to markets, insufficient financial support, and regulatory barriers that impede the growth and scale-up of these enterprises. Despite these challenges, there are notable opportunities for development and expansion in the sector.

Women-led businesses in these provinces primarily engage in producing various agribusiness products and produce. However, they face considerable obstacles in accessing essential resources, such as raw materials and technology. The representatives emphasized the need for better support mechanisms to enhance women's access to markets and financial resources, which are critical for sustaining and growing their businesses. Additionally, regulatory rules and policies were identified as significant barriers that need to be addressed to create a more conducive business environment.

The Chamber of Commerce and Investment representatives also discussed the potential for leveraging technology to improve business operations. They noted that while some businesses have started adopting new technologies, there is a considerable gap in knowledge and resources that needs to be filled. Enhanced training and capacity-building initiatives were recommended to bridge this gap and help women entrepreneurs utilize technology effectively.

Lastly, the report highlights the representatives' recommendations for overcoming challenges in exporting products. These include streamlining export procedures, providing better infrastructure, and creating supportive policies to facilitate international trade. The representatives also stressed the importance of collaboration between the government, private sector, and international partners to create a robust support system for women-led agribusinesses, ultimately fostering economic growth and resilience in these provinces.



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2. Key Findings

2.1. The Current Business Environment

According to the provincial Chamber of Commerce and Investment, in **Herat province**, the business environment is experiencing growth, largely due to its strategic location and proximity to neighboring countries, facilitating trade and economic activities. The government's initiatives and international support have further boosted economic growth and attracted investments. Despite these favorable conditions, challenges persist for women entrepreneurs. Although there's a noticeable increase in new ventures across various sectors, the representation of women-led businesses remains relatively low. Cultural norms, limited access to resources, and financial constraints continue to impede women's full participation in the business landscape. Efforts are ongoing to support and empower women in business, aiming to overcome these barriers and enhance their economic contributions.

In contrast, **Kandahar** faces a stagnant business environment, primarily due to the current challenging situation in Afghanistan. Economic activities are severely limited, impacting the growth of new businesses. Particularly concerning is the official ban on women starting businesses, which significantly restricts their economic participation. As a result, there are minimal opportunities for women to engage in formal business activities. Despite these restrictions, some women are involved in small-scale home-based enterprises, such as home gardening and fruit drying. These activities provide limited economic opportunities amidst broader economic stagnation and regulatory constraints.

Balkh province maintains a relatively stable business environment, with conditions showing signs of improvement over time. Business activities, notably in sectors like tailoring, are expanding, indicating growth in the local market. The province benefits from a moderate economic environment that supports business development and entrepreneurial initiatives. However, challenges such as access to markets and financial resources persist, impacting the full potential of business growth across various sectors. Despite these challenges, the overall outlook for business in Balkh remains positive, with ongoing efforts to enhance economic opportunities and support local enterprises.

Nangarhar province faces unique challenges in its business landscape, particularly concerning the agricultural sector. The market for agricultural products is stagnant, largely due to societal and cultural barriers that limit women's economic activities. Government restrictions further exacerbate these challenges, hindering organizations from effectively supporting women in agriculture. As a result, there's a significant gap in market access and knowledge of new agricultural technologies among women farmers. Despite these barriers, women actively participate in agricultural activities, particularly during wheat cultivation seasons, albeit with limited opportunities to independently lead and engage in market-driven agricultural initiatives.

2.2. Challenges Current Businesses Face

Herat

Businesses in Herat province are facing significant challenges. They're dealing with high inflation, which means prices for goods and services keep going up. Natural disasters like earthquakes and floods also pose risks, affecting their operations. The overall economic situation in the region adds to these difficulties, making it tough for businesses to thrive. In Kandahar, businesses are struggling due to economic problems that affect their customers. This includes high prices for materials they need to make their products, shortages of these materials, and difficulty finding good markets to sell their goods. These challenges make it hard for businesses to grow and succeed.

Balkh

Businesses in Balkh province are finding it challenging to buy and sell their products. This limits their ability to expand and make profits. The lack of robust buying and selling opportunities hampers their growth and development in the region.

Nangarhar

In Nangarhar province, businesses, particularly those led by women, face several obstacles. Women entrepreneurs struggle with limited access to markets, which makes it hard for them to sell their products. They also lack adequate training in agriculture, such as how to use seeds and grow crops effectively. Poor infrastructure, like distant roads to their farms, adds to their difficulties. Moreover, societal restrictions on what women can do in business create additional challenges. Climate change impacts, which affect women more severely than men in this area, further compound these problems.

2.3. Types of Women-led Businesses

The representative from Chamber of Commerce and Investment gave examples of current women-led businesses in Herat, Kandahar, Balkh and Nangarhar provinces:

Women in **Herat Province** engage in a variety of businesses that include poultry farming, where they raise chickens for eggs and meat. Home gardening is another common activity, allowing women to cultivate vegetables and fruits for sale or household consumption. Additionally, women participate in animal husbandry, caring for livestock such as goats and sheep. In the realm of crafts, many women are skilled in tailoring, and producing traditional and modern clothing. Handicrafts like hand embroidery showcase their artistic talents, while bakery businesses cater to the local community's demand for bread and pastries.

In **Kandahar**, women operate micro-businesses primarily from their homes due to cultural and economic constraints. These businesses often include small bakeries where women bake bread and sweets for sale within their neighborhoods. Livestock and poultry farming are also prevalent, with women managing small-scale operations to produce meat and eggs. Tailoring is another significant business, where women sew garments and traditional Afghan attire. Handicrafts, such as weaving rugs or making pottery, contribute to their economic activities and household income.

Women in **Balkh province** are involved in various businesses, notably tailoring, where they create clothing and carpets through skills passed down through generations. Qalibaf, a specific form of embroidery or carpet weaving, showcases their artistic craftsmanship and cultural heritage. Additionally, some women engage in honeybee keeping, harvesting honey and beeswax for sale. These businesses provide opportunities for women to contribute economically while preserving local traditions and skills.

In **Nangarhar province**, women lead businesses in poultry farming, managing small-scale operations to produce eggs and poultry meat for local markets. Beekeeping is another significant activity, where women harvest honey and beeswax, contributing to both household income and agricultural biodiversity. Post-harvest processing activities like drying fruits and making pickles allow women to add value to agricultural products. Kitchen gardening is also common, where women grow vegetables and herbs for household consumption and sale. Nursery establishment involves raising and selling young plants, supporting local agriculture, and environmental sustainability efforts. These businesses empower women economically and enhance their roles in their communities.



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2.4. Types of Women-led Agribusiness Products and Produce

The representative from Chamber of Commerce and Investment also gave examples of women led agri-businesses products available in Herat, Kandahar, Balkh and Nangarhar provinces.

Women farmers in **Herat Province** contribute to the market with a variety of products. They supply dairy products such as milk and cheese, which are essential components of local diets. Eggs from poultry farming are also available, providing a vital source of protein. Women engage in home gardening, cultivating a diverse range of vegetables including eggplant, tomato, okra, cabbage, cucumber, pumpkin, peas, carrot, and onion. These vegetables are sold fresh in local markets, supporting both household nutrition and economic livelihoods.

In **Kandahar**, while there are fewer women directly farming, some contribute to agriculture by assisting men in farming activities. These women sell home-grown vegetables at local markets, including tomatoes, okra, eggplant, chili peppers, and others. Additionally, some women participate in drying fruits such as mulberries, pomegranate seeds, and apricots, as well as certain vegetables. These dried products are sold as snacks or ingredients, offering preserved options beyond the fresh produce season.

Women in **Balkh province** focus on several agricultural products that contribute to the local market. Honey production from beekeeping is a significant activity, providing natural sweeteners and beeswax. Women also engage in the production of women's clothing, including traditional garments and textiles that showcase local craftsmanship. Vegetable farming is another area of contribution, where women cultivate and sell fresh produce like tomatoes, cucumbers, and various leafy greens, meeting local dietary and market demands.

In **Nangarhar province**, women farmers produce a range of agricultural products that contribute to local markets and household incomes. They cultivate and sell fresh tomatoes and potatoes, which are staple ingredients in Afghan cuisine. The production of pickled vegetables (Achar) and traditional dairy products like jeem (a type of yogurt) adds variety to local diets and culinary traditions. Women also play a crucial role in wheat production, contributing to the staple food supply. Additionally, seed production supports local agriculture by ensuring access to quality planting materials for farmers.

2.5. Opportunities for Growth and Scale-up of Women-led Businesses

The following are examples of opportunities for growth and scale-up of women-led businesses in these four provinces:

Women in **Herat** have opportunities for growth in various sectors such as agribusiness, where they can expand poultry farming, animal husbandry, and home gardening ventures. Additionally, opportunities exist in handicrafts, including tailoring and hand embroidery, which can be further developed to meet local and regional market demands. Bakery products also present opportunities for scaling up, providing nutritious food options and catering to local preferences.

In **Kandahar**, there is a modest yet growing potential for women-led businesses to expand. Some women are involved in small-scale ventures like producing jams from local fruits and cultivating home gardens. Scaling up these activities can involve enhancing production capacities, improving product quality, and accessing wider markets beyond local communities. Developing value-added products from home-grown produce can also create new market opportunities and increase income generation for women entrepreneurs.

Poultry farming and livestock rearing are promising areas for women-led businesses in **Balkh province**. There is room for expansion in these sectors by improving breeding practices, enhancing animal health care, and accessing veterinary services.

Scaling up production can meet the growing demand for poultry and livestock products in local markets and potentially beyond. Additionally, promoting and developing the production of honey and women's clothing can further diversify economic opportunities for women entrepreneurs.

Opportunities for growth and scale-up of women-led businesses in **Nangarhar province** include capacity-building training focused on agriculture and business management skills. This can empower women with the knowledge and resources needed to enhance productivity and market competitiveness. Strengthening linkages between women farmers and local markets or bazaars can improve access to buyers and increase sales opportunities. Public awareness campaigns targeting male local farmer associations can foster support and collaboration in addressing challenges faced by women in agriculture. Providing financial support through small cash packages and reducing societal restrictions can further empower women to expand their agricultural activities and promote their products effectively. Support from NGOs can play a crucial role in providing technical assistance, market linkages, and advocacy for women engaged in agriculture, facilitating sustainable growth and economic empowerment.



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2.6. Support to Enhance Women's Access to Market to Sell their Products

Herat

In Herat, there are currently limited training and capacity-building opportunities available for women entrepreneurs. More initiatives are needed to equip them with skills in marketing, business management, and accessing markets. Efforts can focus on establishing training programs tailored to the needs of women in agribusiness and other sectors, supported by local institutions and NGOs.

Kandahar

Access to training and capacity-building support for women farmers and entrepreneurs in Kandahar is constrained by limited government and private sector initiatives. However, some international organizations, IPs (Implementing Partners), and NGOs include activities in their projects aimed at training farmers and entrepreneurs. These efforts can be expanded to reach more women, providing them with essential skills to improve market access and sales strategies.

Balkh

Farmers and businessmen in Balkh Province are enhancing their capacities through sector-specific training programs facilitated by NGOs.

These initiatives focus on improving agricultural practices, business management, and market linkages. Strengthening these programs can empower women to better navigate market challenges, expand their businesses, and increase their participation in local and regional markets.

Nangarhar

In Nangarhar, NGOs have previously provided significant support, particularly in capacity building for local farmers, including women. However, with changes in government and NGO priorities, there is currently a decline in such support. Efforts are needed to reignite interest among NGOs and other stakeholders to resume training programs that are crucial for women farmers to enhance their agricultural skills, market knowledge, and business acumen. Advocacy for renewed support and collaboration with local communities can help revitalize these efforts and ensure sustainable support for women in accessing markets and selling their products.

2.7. Availability of Financial Support

Herat

According to Chamber of Commerce and Investment, in Herat, entrepreneurs and business owners benefit from a variety of financial services such as business loans, lines of credit, and microloans. These are accessible through commercial banks, microfinance institutions, and government and international programs. These services support business growth and sustainability in a province known for its strategic location and economic opportunities. Small-scale enterprises, which include women-led businesses like poultry farming, tailoring, and handicrafts, find essential support through microfinance institutions that cater specifically to their needs. For farmers, agricultural loans and crop insurance help improve productivity and income, contributing to rural development efforts. Efforts are ongoing to enhance financial services tailored specifically for women in agribusiness, aiming to empower them economically and promote gender equality in the agricultural sector.

Kandahar

In Kandahar, business owners face difficulties accessing adequate financial services, often resorting to informal loans due to limited formal banking options. Government support for financial services is minimal, posing obstacles to new business development and growth. Farmers also lack formal financial support, which contributes to economic hardships within the agricultural community. Women in agribusiness in Kandahar face significant barriers to accessing financial services, with few initiatives from the government or private sector addressing their specific needs. While sporadic programs from international organizations, IPs, and NGOs offer some support, consistent and comprehensive financial services remain lacking.

Balkh

Financial support mechanisms in Balkh Province are somewhat decentralized and rely on local unions and cooperatives to provide limited assistance based on business circumstances and investments. This decentralized approach means that small-scale enterprises and farmers often face challenges in accessing consistent and reliable financial services tailored to their needs. While there are cooperative efforts within specific sectors to support economic activities, the overall landscape lacks comprehensive financial infrastructure to support widespread business growth and development. Specifically, for small-scale enterprises and farmers in Balkh, the availability of financial services appears to be contingent upon local economic conditions and individual business initiatives rather than structured support systems. This can pose challenges for business sustainability and expansion, particularly in sectors such as agriculture where access to finance for inputs and market access is critical.

Nangarhar

In Nangarhar, the situation regarding financial support for agriculture and women's businesses is particularly challenging. There's a noticeable lack of financial services aimed at promoting women's agricultural products, exacerbating existing economic barriers. Specific details on general financial services for small-scale enterprises or farmers are scarce, pointing to a need for expanded financial infrastructure and investment to stimulate economic growth and resilience in the agricultural sector.

2.8. Accessibility of Raw Materials and Essential Resources

The representatives from the Chamber of Commerce and Investment across Herat, Kandahar, Balkh, and Nangarhar provinces provide valuable insights into the accessibility of essential resources for businesses in their respective regions.

In **Herat**, businesses generally find it relatively easy to access raw materials, equipment, and labor due to high unemployment rates and a surplus of available workforce. However, the province struggles with inadequate investment, stemming from economic weaknesses, which limits business expansion and overall development.

Conversely, **Kandahar** faces more pronounced challenges. The Chamber reports difficulties in sourcing raw materials, often imported at high costs, leading to increased product prices and reduced competitiveness. Shortages of crucial machinery and skilled professionals further compound these issues, making it challenging for businesses to operate efficiently and achieve growth. These factors underscore the need for targeted support to bolster resource availability and support economic activities in the province.

In **Balkh**, despite sufficient availability of labor and raw materials, businesses express concerns about sluggish sales and economic activity. This cautious outlook among local enterprises highlights uncertainties about future economic conditions and the need for initiatives to stimulate market demand and business confidence.

Meanwhile, in **Nangarhar**, the Chamber notes significant barriers for women involved in agriculture, such as difficulties accessing raw materials and equipment. These obstacles hamper the growth of women-led agricultural enterprises, emphasizing the importance of addressing gender disparities and promoting inclusive economic opportunities.

Across these provinces, addressing the identified challenges requires strategic interventions that enhance resource accessibility, stimulate economic activity, and support business growth. By focusing on these areas, stakeholders can work towards fostering a more resilient and inclusive economic environment that benefits all sectors of the community.

2.9. Impact of Regularity Rules and Policies on Women-led Businesses

The representatives from Chambers of Commerce and Investment in Herat, Kandahar, Balkh, and Nangarhar provinces provide valuable insights into the regulatory environment impacting businesses, particularly those led by women:

Herat

In Herat, current regulations are perceived as somewhat stringent, affecting both women-led enterprises and businesses in general. This regulatory framework poses challenges, although there is recognition of the need for support and encouragement to foster entrepreneurial growth and agricultural development.

Kandahar

In Kandahar, the impact of regulations on women-led businesses is pronounced, with stringent rules limiting direct management by women in business operations. These regulations influence how women engage in commerce, adhering to specific market rules and governance structures.

Balkh

Similarly, in Balkh, regulations governing women's business and labor adhere to Afghan government leadership guidelines, reflecting a regulatory environment shaped by national policies and local interpretations.

Nangarhar

Meanwhile, in Nangarhar, the current regulatory landscape significantly hampers women-led agricultural businesses across the province and its districts. These challenges highlight the need for policy changes that enhance gender inclusivity and support women's participation in economic activities, particularly in agriculture.

Regarding policies that could improve the business environment, stakeholders across these provinces advocate for reforms. In Herat, there is a call to support entrepreneurs and farmers through policies that facilitate progress and growth in their respective fields. Kandahar emphasizes the need for effective policy implementation to address traders' challenges, urging greater government attention and collaboration to resolve ongoing issues. In Balkh, the focus is on reducing tax burdens to alleviate financial pressures on businesses, thereby stimulating economic activity and investment. Meanwhile, Nangarhar stresses the importance of local government engagement in discussing and revising policies that affect women-led businesses, advocating for decreased restrictions and regular consultation with female farmers to address their unique needs and challenges. These policy recommendations aim to create a more supportive and conducive business environment across Afghanistan's diverse provincial landscapes.



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2.10. Utilizing Technology to Improve Business Operations and Reach Customers

In **Herat**, technology such as digital payments, the internet, and mobile technology significantly enhances business operations and customer engagement. Businesses utilize digital payment platforms to streamline transactions, manage cash flow efficiently, and improve customer satisfaction. Online platforms and mobile apps expand market reach, increase visibility, and facilitate online sales. However, barriers to adopting these technologies include high implementation costs, insufficient technical skills among some businesses, concerns about data security and privacy, resistance to change from employees and management, inadequate infrastructure like poor internet connectivity, and regulatory challenges such as compliance with data protection laws.

Similarly, in **Kandahar**, digital payments are limited, but internet applications like WhatsApp and Telegram play crucial roles in business communication and promotion. Despite their potential, barriers to adopting new technologies persist due to low public awareness, limited government promotion programs for technology adoption, and the absence of robust infrastructure supporting widespread technological integration.

In **Balkh** province, there are observable benefits from online sales and digital payments, indicating a thriving trade environment. However, challenges remain, including high internet costs and limited access to new technologies, which hinder broader technological adoption among businesses.

In **Nangarhar**, women engaged in agriculture could greatly benefit from capacity-building training on modern technologies such as machinery and internet tools. Yet, restrictive regulations and societal norms—such as bans on women's participation and reduced involvement in local farmer consultations—pose significant obstacles to women's full engagement and the adoption of new technologies in agricultural businesses.

2.11. Challenges Faced in Exporting Products

It is reported by representatives from the Chamber of Commerce and Investment that exporting products and services from various provinces in Afghanistan presents significant challenges:

In **Herat province**, logistical issues such as poor infrastructure and transportation, coupled with limited market access and financial resources, hinder export activities. Women-led organizations account for a small share of exports, reflecting broader disparities in business ownership and leadership. Women entrepreneurs face specific challenges in exporting, including limited access to finance, inadequate business networks, and insufficient training opportunities, which restrict their ability to engage effectively in international trade.

Similarly, in **Kandahar**, the challenges in exporting products and services are exacerbated by poor road conditions, inadequate transportation facilities, high taxes, and other regulatory barriers. There are no women-led organizations significantly involved in exporting from Kandahar, highlighting gender disparities in business ownership and leadership roles. Women traders face cultural, religious, and educational barriers that further complicate their participation in export activities, limiting their economic opportunities compared to their male counterparts.

In **Balkh province**, challenges in exporting are compounded by high internet costs and limited access to modern technologies, which are critical for efficient trade operations. Women-led organizations in Balkh are also limited, and there is a lack of separate markets tailored to women's products, constraining their participation in export markets despite their potential contributions to economic growth.

In **Nangarhar**, the Chamber of Commerce and Investment highlighted ongoing challenges in exporting, previously mentioned and reflected in limited opportunities for women-led organizations. Specific obstacles faced by women in exporting their products include cultural norms, logistical constraints, and inadequate support systems, which continue to impede their full participation in export-driven economic activities.

Addressing these challenges requires targeted interventions such as improving infrastructure, reducing trade barriers, enhancing financial inclusivity for women entrepreneurs, expanding business networks, and providing tailored training and support programs.

3. Recommendations

Here are recommendations to strengthen women-led businesses, considering various provinces in Afghanistan:

Short-term Suggestions

- 01** | Facilitate access to financial resources through grants, loans, or financial assistance programs tailored for women entrepreneurs to invest in their businesses effectively.
- 02** | Provide targeted training and capacity-building programs focused on key business skills like marketing, finance, and market access, enhancing the capabilities of women entrepreneurs.
- 03** | Establish networking opportunities and mentorship programs connecting women entrepreneurs with experienced business leaders to offer guidance and support, fostering a supportive community.

Long-term Suggestions

- 01** | Advocate for gender-inclusive policies and regulations that create an enabling environment for women-led businesses, promoting gender equality and ensuring fair opportunities for growth.
- 02** | Create platforms for collaboration and knowledge-sharing among women entrepreneurs, building a supportive ecosystem that encourages innovation and long-term business success.
- 03** | Invest in comprehensive education and skills development programs specifically designed for women, empowering them with the tools and knowledge to thrive in diverse business environments.
- 04** | In Kandahar, encouraging small-scale businesses such as home gardening, fruit drying, poultry farming, and livestock can empower women economically within their households.
- 05** | In Balkh, establishing manufacturing facilities specifically for women can create employment opportunities and support local economic growth.
- 06** | In Nangarhar, providing targeted capacity-building training by NGOs in rural areas can enhance agricultural productivity and promote sustainable practices among women farmers, contributing to economic development in the region.



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