

# Afghanistan: Potential Impact of COVID-19 and SDGs Attainment

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## Abstract

COVID-19 pandemic has disrupted the progress recorded in the achievement of the SDGs (Sustainable Development Goals) till 2030, as the globally recognizable agenda for fostering inclusive development. Globally, the Human Development Index (HDI) is expected to decline this year for the first time since 1990, when it was first introduced. In Afghanistan, the pandemic has also negatively impacted all A-SDGs (Afghanistan SDGs). Particularly, SDG1 (End Poverty) deteriorated significantly since poverty rate rose from its pre-COVID-19 level of just under 55 percent to 72 percent.

However, there are more affordable policy options regarding social protection that the Government could opt for, such as: (i) income support of around 1,000 Afghanis/month to the elderly (“social pension”) for six months which would require only 0.25% GDP; (ii) income support for the internally displaced people (IDPs) and returnees would cost around 0.5% GDP; and (iii) civil works for unemployed for 100 days at a wage of 1,000 Afghanis/month which would cost only around 1 % of GDP. Based on the findings from our model simulations, 30% of the potential revenue to be generated by VAT collections at the borders, 30% of revenue to be collected from excise and export tax from legalization of illegal mining activities could fund A-SDGs achievement in 2020; the remaining 70% additional revenue would support both the fight against COVID-19 and the longer-term development agenda.

In addition, if regional trade expands, it will significantly increase GDP growth. More specifically, if the cost of trade between Afghanistan and the South Asian Association for Regional Cooperation (SAARC) countries decreases by 10%, it would boost Afghanistan’s GDP by around 4% in 2020. This additional revenue could finance SDG attainment as well as being deployed in addressing the adverse impact of COVID-19.

## 2. Impact Channels of COVID-19 on SDGs

A recent report by UN describes pandemic’s pathways to affect SDGs’ progress as direct and indirect effects. (see Figure 1).

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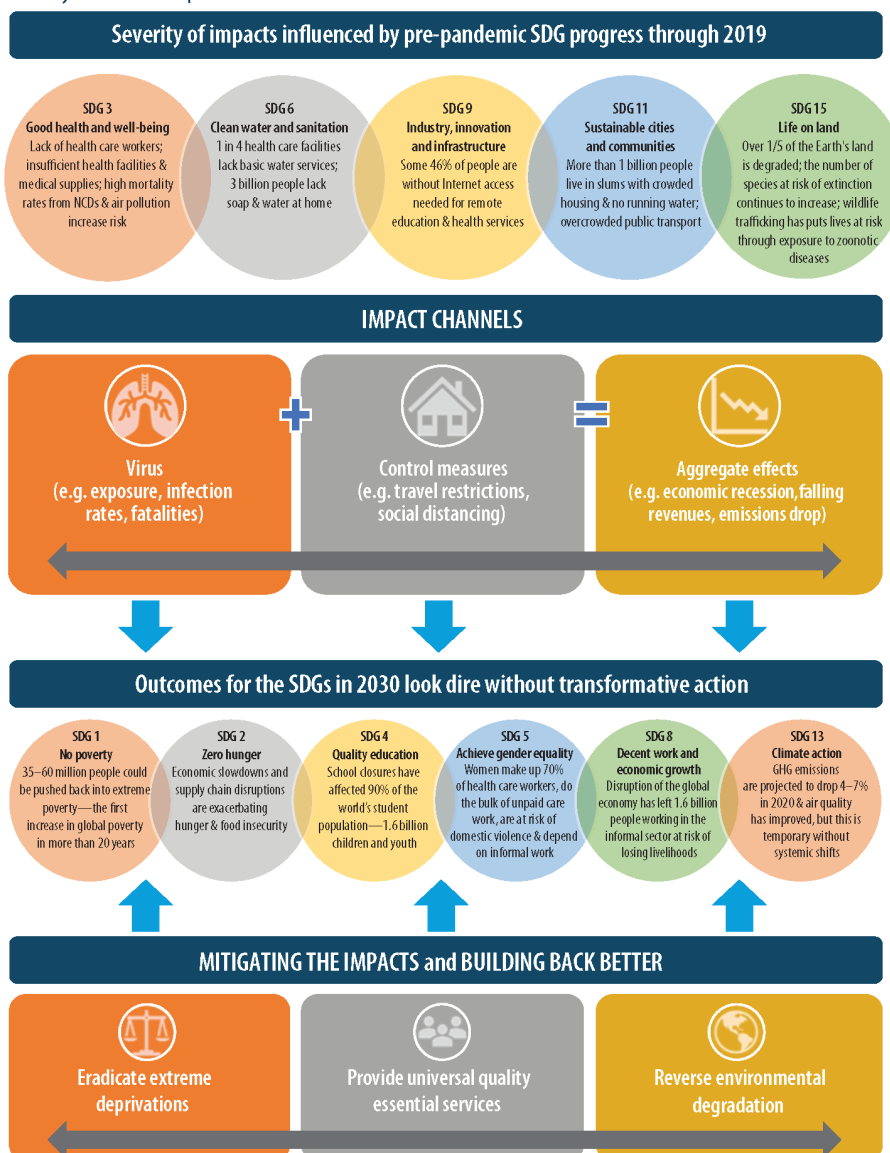
**Direct effects** are the disease's various impacts on an individual's health, some of which are still being understood including in terms of how individual and group characteristics (age, gender, race, ethnicity, living and working conditions) are linked to virus exposure and the severity of illness.

**Indirect effects** arise from response measures to the Coronavirus Pandemic such as social distancing and mandated lockdowns. These, too, vary across individuals—lost livelihoods, forced absences from the classroom, foregone vaccinations against other infectious diseases, stresses on mental health, and, for women in particular, a disproportionate increase in the burden of care work as well as greater risk of domestic violence. In addition, there are aggregate effects across economies and societies—economic recession, falling public revenues and shrinking fiscal space, price increases or quantity disruptions, balance of payments stress due to capital flow reversals, collapses in tourism, decreases in commodity exports and remittances as well as more persistent inequalities.

These aggregate effects in turn impact individuals, for example shrinking fiscal space could result in poorer public services leading to higher levels of poverty and ill-health; disruptions in the food supply chain could portend poorer nutrition. The severity of impacts through these channels are influenced by pre-pandemic factors, many of which are at the heart of the SDGs.

**Figure 1. Pathways of COVID-19 Impact on SelectSDGs<sup>3</sup>**

Figure 1  
Pathways of COVID-19 impact on select SDGs\*



\* This figure is indicative. All SDGs are impacted by COVID-19.

## Linkages between SDGs

Coronavirus pandemic shows, once again, that the SDGs are tightly interlinked: progress on one goal (or lack thereof) affects other goals. Moreover, the degree of progress along multiple goals and targets is itself likely to contribute to the eventual impacts of the pandemic on the SDGs.

<sup>3</sup> [UN/DESA Policy Brief #78](#).

For example, access to clean water (SDG-6) is a pre-requisite for being able to handwash frequently; living in substandard, unsanitary and overcrowded conditions such as slums (SDG- 11) increases the risk of exposure to the virus; and pre-existing health conditions such as non-communicable diseases (SDG-3) tend to worsen disease outcomes. The same is true for the impacts of crisis response measures. Past progress in promoting formal employment (SDG-8); increasing access to quality health care (SDG 3); building adequate social protection floors (SDG 1); ICT availability (SDG 9) that facilitates participation in a virtual classroom to name a few, help mitigate the severity of adverse impacts. Also, at the aggregate level, there are distinct benefits from past progress on the SDGs: for example, more diversified economies (SDG 8) may experience less precipitous declines in GDP than those dependent primarily on tourism or petroleum production.

The main cause of transmission of COVID-19 to humans has been recognized by many as illegal, unregulated, and high-risk wildlife markets. Health links to SDG-15 (Life on Land) would require global action in reversing land degradation and habitat destruction and taking action to address the demand for and supply of illegal wildlife products (SDG-15.7).

In Afghanistan, health links to environmental pollution (SDG-3.9) are particularly important. High levels of air pollution in many Afghan cities may have been recognized as an important factor in the spread of COVID-19 by increasing Afghan citizens' pre-existing vulnerabilities to respiratory diseases.

Although considerable progress has been made on healthcare in Afghanistan, with the onset of this pandemic there is immediate need for institutional reforms and funding in the health system to efficiently fight with the pandemic.

A complex issue, like health (SDG-3), cannot be understood in isolation from the wider determinants of health outcomes, such as poverty (SDG-1), hunger (SDG-2) gender equality (SDG-5), water and sanitation (SDG-6), energy (SDG-7), climate change (SDG-13) and sustainable land use (SDG-15). These are all interconnected and interdependent issues that require correspondingly systemic solutions. For example, the diversion of significant resources away from Malaria control to COVID-19 may itself lead to an increase in the incidence of Malaria in Afghanistan. Similarly, the geographical distribution of Malaria and associated mortality rates (SDG-3.3) are expected to increase as the atmosphere warms. Without paying attention to climate change and how this will affect the spread of Malaria, it will not be possible to achieve SDG-3.3. Another example is water supply, sanitation, and hygiene (SDG-6) which are all necessary elements to secure desired health outcomes under SDG-3.

### **3. Progress in SDG Attainment in the Pre-COVID Period**

#### **Global Context**

The United Nations SDG Progress Report (2019) <sup>1</sup> demonstrated that the world had gained progress in some critical areas including extreme poverty reduction, child and infant mortality, access to electricity, water, and sanitation. Majority of countries were taking

serious actions to tackle global warming and climate change. The report also had equally identified many areas which needed urgent action: global hunger was on the rise, the pace of the progress towards ending poverty was not sufficient, and at least half of the world population did not have access to basic health care services. More than half of world children had difficulty in reading and understanding the mathematics. The report highlighted increasing environmental deterioration and sea level rise, and the last four years have been reported as the warmest in history.

## Regional Context

Pre-COVID reports on the status of SDGs progress in Asia and the Pacific suggested that action was required on all fronts. Progress had been recorded on reducing poverty (SDG 1), ensuring equal access to quality education (SDG 4) and providing affordable and clean energy for all (SDG 7) in the region. But progress on all other SDGs were stagnating. However, there are three goals in which the trends needed to be reversed. Trends on access to clean water and sanitation (SDG 6), decent work and economic growth (SDG 8) and responsible production and consumption (SDG 12) were needed to be overturned. Furthermore, urgent action was needed to combat climate change and environmental degradation (SDG 13). The issue of climate change and mismanagement of environment and natural resources was recognized as one of the biggest challenges that the region faces.

Even without COVID-19 pandemic, the South-Asia region was not expected to achieve most SDG targets by 2030, although different subregions differed in their progress.

## Country Context

A-SDGs consist of 16 Goals, 110 targets and 177 indicators<sup>4</sup>.

Considering A-SDGs' roadmap and estimated budget for sustainable development towards 2030, Afghanistan had made some progress in realizing the SDG2 (food security) and SDG3 (health and well-being) during the 2015-2019 period. An assessment of progress of every goal is difficult as the data needed have not always been consistently recorded from year to year.

Based on Afghanistan's Sustainable Development Report for 2020 (SDR-2020), Afghanistan has made progress only against a total of 24 (28%) of the total of 85 reported targets<sup>2</sup>. Of the remaining 61 targets, no progress has been made against 19 of the targets used, there were not enough data to assess 34 (40%) targets, and declines were recorded in 8 (9%) targets. As a result, Afghanistan is currently ranked at 139 out of 166 countries assessed for SDG performance globally.

## SDG 1: End Poverty

In Afghanistan, poverty reduction is a national priority. The first multi-dimensional poverty report for Afghanistan (2019)<sup>3</sup> was based on the data from the Afghanistan Living Conditions Survey (ALCS) 2016–17. 18 indicators were chosen to reflect the priorities

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<sup>4</sup> As per NSIA revisions in December 2019.

presented in the ANPDF (2017-2021), which articulated a vision of Afghanistan's well-being and self-reliance in terms of wider monetary measures alone.

The poverty levels in Afghanistan have continued to increase despite sustained economic growth that was seen during the years between 2007 and 2012. The proportion of people living under the national poverty line (SDG target 1.2) has continued to increase over the past decade. For each observation (or when the data for poverty indicators were reported) there is a significant increase in the number of households and people falling into poverty. Due to policy decisions related to aid allocations, conflict and geography, welfare disparities are highly entrenched across different regions of the country. Comparatively speaking, Central-West and Northeast regions have higher rates of poverty. On a similar par, the poverty rates are also higher in rural areas of Afghanistan<sup>5</sup>.

Addressing poverty cuts across almost all the development policy frameworks, programs and projects that were designed and implemented in Afghanistan over the past decade. Chief among these policy frameworks specifically addressing poverty was the Afghanistan National Development Strategy (ANDS). Almost all the National Priority Programs under ANDS addressed poverty directly or indirectly. The Afghanistan Peace and Development Framework (ANPDF), as a concise policy document, also mentioned that poverty reduction was a crosscutting policy objective and identified a number of interventions, such as public works and employment programs, to reduce poverty in Afghanistan. However, these investments have been lukewarm considering the scale of the problem of poverty in Afghanistan.

## **SDG 2: Zero Hunger**

The combined effects of conflict and insecurity, displacement, droughts, other natural disasters, such as floods and earthquakes, and a sluggish economic growth have negatively affected the living standards of Afghans over the past decade. In 2018, a drought affected agricultural productivity in 22 of Afghanistan's 34 provinces. During the 2016-2017 period, Afghanistan Living Conditions Survey reported that 13 million Afghans did not meet their basic caloric requirements. The rate of food-insecure Afghans has increased from 28 percent to 45 percent. The recent COVID-19 related decrease in incomes could further increase food insecurity and hunger in Afghanistan to unprecedented levels.

Most of the poor cannot survive harsh winters without seasonal migration in search of work mostly in urban areas of Afghanistan. Hunger and food insecurity during harsh winters is pervasive. Geography, conflict, and insecurity coupled with lack of job opportunities for semi-skilled and unskilled labour are the primary drivers of hunger and food insecurity in Afghanistan. During droughts and harsh winters, the proportion of severely food insecure population increases. But due to infrequent data observations, it is hard to bring to light the full proportion of the problem of food insecurity in Afghanistan and negative impact of COVID-19 on food security<sup>6</sup>.

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<sup>5</sup> Source: Afghanistan Living Condition Surveys and World Bank latest projections

<sup>6</sup> Source: Afghanistan Living Conditions Surveys

Even before the onset of COVID-19, Afghanistan faced an increasingly dire situation as most Afghans did not have access to basic needs, such as food, shelter, healthcare, and schooling. Around 55 percent of the population were extremely poor and already needed income, nutrition, and shelter support. Most recent assessments showed that around 11 million Afghans needed emergency food assistance before the pandemic hit.<sup>7</sup> Around 44 percent of the population are either moderately or severely food insecure.<sup>8</sup> The prevalence of stunting among children (SDG-2.2:) under 5 is 41 percent while wasting among children under 5 is reported 9.5 percent (SDG-3.2). These rising social and humanitarian needs were triggered by the combined effect of conflict and fragility, climate change, rising levels of extreme poverty, unemployment, demographic pressures, returnees, and internal displacement.

### SDG 3: Health and Well-being

Despite conflict and insecurity, the Government has been able to provide basic health services to 85% of Afghans. This shows a significant increase compared to 2013 when these services were available only to 60% of the population across the country. The results—compared to just a few years back—are impressive. The percentage of pregnant women who had at least one antenatal check-up increased to 70% while in 2005 it was just 23%. The maternal mortality rates have dropped from 1600 death per one hundred thousand live births to 638 maternal deaths in 2018. The proportion of births attended by skilled health personnel has also increased from just 39.9% in 2012 to 53.4% in 2017.

### SDG 16. Peace, Justice and Strong Institutions

As shown in Table 1, before COVID-19, Afghanistan already had a very low score for all four global indices relating to peace, and these scores were also all declining. When this baseline is set against the increased difficulty in holding face-to-face negotiations and obtaining adequate community input, the peace talks are now not likely to be as inclusive as originally planned.

**Table 1: Current Ranking for Afghanistan against Global Indices of Peace**

| Index/Statistic        | +/- | Trend     | Period                 | Latest World Rank |
|------------------------|-----|-----------|------------------------|-------------------|
| Fragile States Index   | -   | 99.8-105  | 2006-2019 <sup>4</sup> | 169/178           |
| Global Peace Index     | -   | 3.1-3.644 | 2008-2020 <sup>5</sup> | 163/163           |
| Global Terrorism Index | -   | 8.6-9.6   | 2012-2019 <sup>6</sup> | 138/138           |
| Positive Peace Index   | -   | 4.15-4.25 | 2018-2019 <sup>7</sup> | 154/163           |

<sup>7</sup> FAO and MAIL, “Afghanistan: COVID-19 Rapid Assessment of Agriculture Production and Marketing,” (accessed on July, 2020): <http://www.fao.org/3/cb0199en/CB0199EN.pdf>

<sup>8</sup> Government of Afghanistan, “Afghanistan Living Conditions Survey,” (2016-2017).

## 4. Impact of COVID-19 on A-SDGs

With all the existing deprivations and challenges in attaining the SDGs globally, the crises of COVID-19 hampered the realization of Global Sustainable Development Goals to a large extent.

Countries in the South Asia region were gaining momentum in making progress towards SDGs when COVID-19 hit. A quarter of the world's population and one third of the world's poor live in South Asia making the region most vulnerable to the socio-economic impacts of COVID-19 pandemic. Majority of the population living in margins, fragmented social protection coverage, gaps in public health expenditure, lack of access to basic sanitation facilities and elevated levels of fiscal deficit and public debt have emerged, making it difficult to cope with the pandemic.

A recent study by UNESCAP<sup>9</sup> finds that around 132 million more people could be pushed into (\$1.9/day) poverty in South Asia, which means reversal of gains in poverty reduction of the last decade.

### SDG 1. End Poverty

With 11.3 million people in acute food insecurity<sup>2</sup> in 2019, Afghanistan was already extremely vulnerable even before the pandemic: it was ranked 180th out of 185 countries which were globally assessed for food security indicators. The World Food Programme (WFP) is now warning that the number of people experiencing acute food insecurity may double because of COVID-19 crisis, giving rise to a new hunger pandemic.

### Effect on Children

The UNICEF report foresees socio-economic vulnerabilities for children to be further deepened by the pandemic:

- Eight out of 10 people and nine of 10 children may face at least one type of deprivation, thus the poverty impact of the pandemic on children would be higher.
- On average, children aged 0-17 would bear the highest burden compared to all the other population subgroups.
- The number of children aged 6-18 deprived in school attendance could rise from 5.6 to 9.7 million. Thus, if these children are unable to go back to school, the incidence of multidimensional poverty could rise from 51.7% to 60.9%.
- If unemployment, underemployment, youth NEET<sup>10</sup> increase, given the and a high dependency ratio (less than one household member works for every 6 people), the multidimensional poverty headcount could rise from 51.7% to 73.5%.

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<sup>9</sup> Based on SANEM - South Asia Computable General Equilibrium (CGE) Model simulations.

<sup>10</sup> Share of young people not in education, employment or training as defined by the ILO.

## Potential Impact on Poverty

Early 2020, we estimated that the rate of poverty would increase from 55% to 68%. Based on the most recent growth projections including the reforms and social interventions for the Afghan economy, we estimate that the poverty rate could decrease by around 18% and stabilize around 50% until 2023 (Table 2).

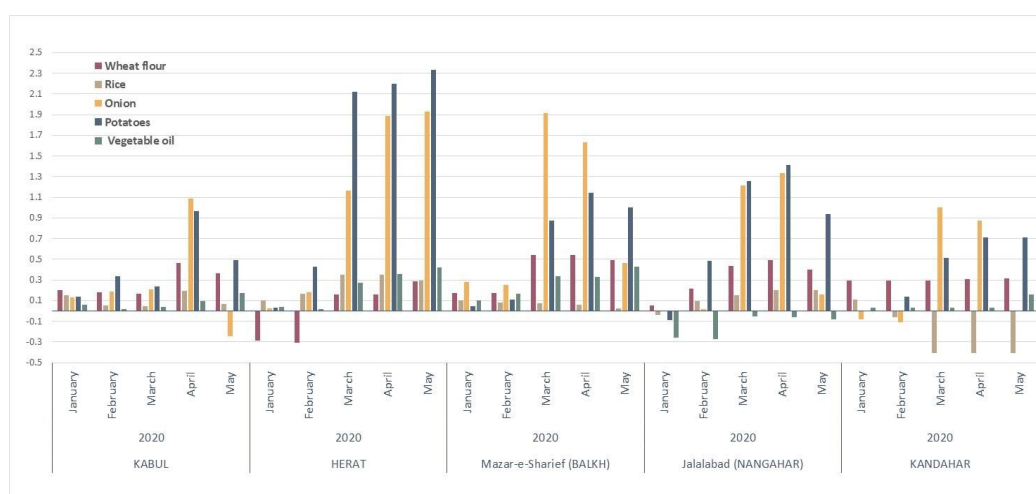
**Table 2. Estimated Impact on Poverty**

|                  | 2019 | 2020  | 2021  | 2022  | 2023  |
|------------------|------|-------|-------|-------|-------|
| <b>Poverty %</b> | 55   | 68.00 | 50.11 | 50.11 | 49.84 |

## SDG 2. Zero Hunger

The COVID-19 pandemic exacerbated pre-existing conditions, affecting access to basic needs, such as food and nutrition (SDG 2.1). However, this impact was largely limited to rising food prices in the months of March and April as a result of panic buying, wholesale price fixing and an expected disruption in the imports of key commodities, such as flour and rice from Pakistan and Kazakhstan. The rising food prices (Figure 2) coupled with loss of income during the restrictions may also have exacerbated undernutrition (SDG 2.2).

**Figure 2: Retail Price in 2020 as a Share of the 2018-2019 Averages for Selected Food Items and Markets**

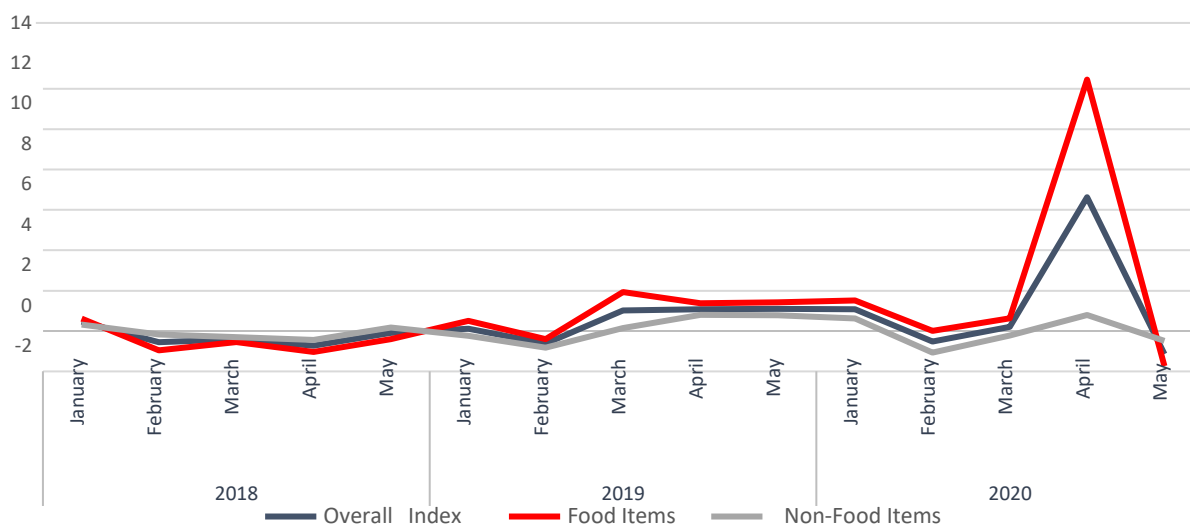


Source: National Statistic and Information Authority, Consumer Price Index (CPI)

The price of non-food items also increased. The Consumer Price Index (CPI) showed an upward trend for the months of March and April. The price hikes, though high for non-food items, were still lower compared to food items. In the month of May, as can be seen in Figure 3, the prices decreased significantly due to Government intervention.<sup>11</sup>

<sup>11</sup> FAO and MAIL, "Afghanistan: COVID-19 Rapid Assessment of Agriculture Production and Marketing," (accessed on July, 2020): <http://www.fao.org/3/cb0199en/CB0199EN.pdf>

**Figure 3: Consumer Price Index, Selected Months (2018-2020)**



Source: National Statistics and Information Authority, Consumer Price Index (CPI).

The COVID-19 impact on agricultural productivity (SDG 2.3), however, is reported to be insignificant. According to a perception survey by the Ministry of Agriculture and FAO, only 2 percent of male farmers and 24 percent of female farmers believed that they may not be able to cultivate the next crop due to COVID-19 restrictions. One of the sub-sectors that was particularly impacted by COVID-19 is poultry farming. The same survey showed quite a significant percentage of farmers expressing concerns over the lack of access to day-old chicks and feed—mostly imported from Pakistan, but also from Iran and Kazakhstan. Other concerns expressed by farmers, such as lack of access to agricultural inputs, transportation, storage capacity, are not directly connected to the COVID-19 impact. The survey does not tell much if the lack of access to markets was a pre-existing structural issue which was exacerbated by the onset of COVID-19. However, many of these constraints around value addition and access to markets are mostly pre-existing problems in Afghanistan. While border closures, particularly during March and April, may have affected access to regional markets for Afghanistan's products, the extent of this problem is yet to be measured.

Income loss (SDG-10.1 & 10.2.1) and higher food prices (SDG-2c) due to COVID-19 are likely to have significantly reduced economic access to food (SDG-2.1) for the most vulnerable segments of the population. COVID-19 will also have impacted national food supply chains and cross border supplies of imported food and therefore, the physical access to food. This comes on top of a food supply system that is still recovering from the impacts of the 2018/19 drought. On a positive note, though, despite COVID-19, Afghanistan is still likely to be able to produce 67% of its wheat and barley requirements in 2020.<sup>8</sup>

**Child nutrition** is a key development issue linked to malnutrition in Afghanistan. In 2019, 83 percent of children under five suffering from severe malnutrition received treatment up from 24 percent in 2011<sup>9</sup>. However, taking into account the impact of COVID-19 on food access and price, and also the pre-COVID-19 pace of change, it is unlikely that Afghanistan will now be able to meet the target of ending all forms of malnutrition by 2030 (SDG-2.2). Good nutrition plays a key role in child development. Undernourished children are more likely to get sick or die. Those who survive impaired physical growth and brain development suffer from limited educational attainment and lifelong earning potential. Poor levels of

educational attainment (SDG-4.1 & SDG-4.6) will be one of the key factors that reduce progress towards the Government's goal of self-reliance. Currently, one in four children is underweight and poor child nutrition has led to 43.6% of children showing signs of stunting in Afghanistan (globally the average is 21.3%) with some provinces having up to 70% stunting. Obviously, this also has immediate health impacts (SDG-3) in terms of reduced immunity and susceptibility to COVID-19.

### **SDG 3. Health and Well-being**

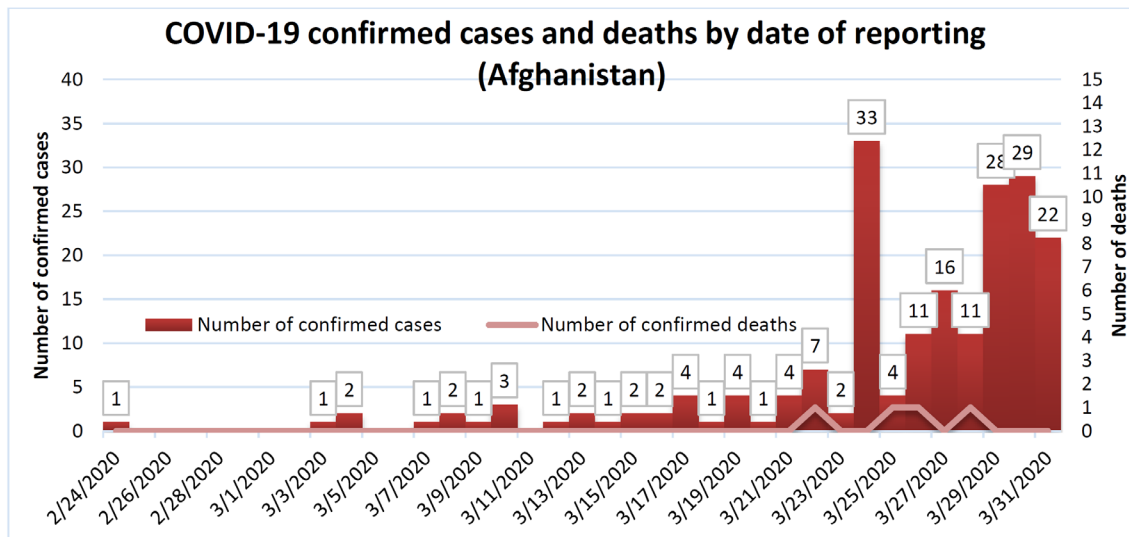
According to early (April) estimates of the University of Oxford/WHO, the spread of COVID-19 would have peaked in June 2020 and if preventive measures were not taken, the virus would have affected nearly 70 percent of the population resulting in 20,500 deaths by end 2020<sup>12</sup>. Initial predictions made by the Afghan Public Health Ministry in May 2020 anticipated that between 16 million and 28 million people may eventually be infected and more than 100,000 may die also in the absence of mitigating policies the end of the year<sup>10</sup>. This compares to a scenario of 190,000 infections subsequently developed in the "The National Emergency Response Plan for Coronavirus"<sup>11</sup>. The national COVID 19 morbidity and mortality survey conducted by MoPH in July 2020 suggested that about 10 million people (nearly one-third of the population) have or had the virus most of whom would be adults (6 million) than children aged between 5 and 7 years (3 million). Yet as of August 2020, there have been only 38,162 officially reported cases of infection and 1,402 deaths<sup>13</sup>. All in all, the unpredictable course of the pandemic combined with the testing and reporting capacity of Afghanistan implies that the true incidence of infections and deaths may not be known for some time. Figure 4 displays the numbers of cases and deaths at the beginning of the Coronavirus outbreak (MoPH, 2020) based on the quarterly update from the Ministry.

Numbers aside, the possibility of an uncontrolled spread of the Coronavirus in Afghanistan is not unlikely at some point. This can be partly because most of the population cannot take self-protection measures such as regular hand washing with soap, social distancing and working from home.

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<sup>12</sup> MoPH (July 2020)19, Monitoring & Evaluation and Health Information System General Directorate

<sup>13</sup> <https://www.worldometers.info/coronavirus/>



**Figure 4. COVID-19 Confirmed Cases and Deaths by Date of Reporting in Afghanistan (February-March 2020)**

Source: NDSR, MoPH (2020)

The inflow of Afghans coming from abroad, especially infected neighbouring countries, can aggravate the situation. A third factor is the limited health facilities. According to one report at the initial stage of the pandemic, the US had 33 ICU beds per 100,000 people compared to two in India, Pakistan, and Bangladesh and 0.1 in Uganda. If Afghanistan had Uganda's extremely small number of ICU beds and considering its population size, this would bring its expected total number of ICU beds to 35. Instead, Afghanistan was reported to have just 12 ICU beds then and only 2 diagnostic laboratories for its highly dispersed population of nearly 35 million<sup>12</sup>.

The few existing health facilities would require a substantial funding to expand. Still, given the small number, even a fast expansion will initially make a small contribution to the ultimately required capacity to address the pandemic effectively. And much more will be required in terms of protocols for referrals, dedicated ambulances, isolation centres and quarantine, contact tracing, disease surveillance at the community level, preparation of guidelines, development of training materials, awareness campaigns, data collection and analysis of information ideally on a daily basis.

Even if the health physical infrastructure were in place, more would require for effective service delivery – leaving aside getting prepared for future outbreaks. The medical infrastructure in place often attracts most attention but, as the experience from some high-income countries makes clear, the role of leadership and weak management systems cannot be overrated. Failure to consider the strength of political will and managerial competence can compromise the effectiveness of programs as does also lack knowledge among citizens regarding the essentials of public health practise<sup>13</sup>.

The situation is conflated by two additional factors. First, the pressure on health services arising from the spread of COVID-19 implies that the provision both of ordinary individual treatments and public health services (such as vaccinations especially polio) may be

curtailed. Second, ongoing conflict does not seem to spare hospitals, clinics, and medical personnel from its operation, including maternity wards.

The pandemic situation was aggravated by the large influx of refugees returning from Iran and Pakistan—without proper quarantine and containment measures in place. The danger posed by COVID-19 in Afghanistan had been exacerbated, as returnees from the *Islām Qala*, *Torkham*, and Chaman border areas entered communities.

Like returnees, IDPs have also of rising concern<sup>14</sup>. According to OCHA (UN – Office for Coordination of Humanitarian Affairs), almost 86,000 people have been displaced by conflicts or natural disasters in Afghanistan in the first 5 months of 2020 alone. Both returnees and IDPs have limited access to basic health services and testing facilities. They may have lost income and assets and therefore not being able to afford health care services. They may also face limited economic opportunities because of the countrywide lockdown.

Both IDPs and returnees' unplanned movements put additional pressure on health and social services in many Afghan provinces.

Covid-19 pandemic revealed major capacity issues in the health sector of Afghanistan. The system faced serious challenges in diagnosis, case management, human resources, risk communication and surveillance, as well as in procurement of medical supplies and services.

Recently, the World Bank agreed with MoPH to increase the contracting amount of BPHS NGOs between 7-10%. This increase would be covered from the savings realized from the overall budget allocated for Sehatmandi Project. Out of \$600 million allocated for implementation of Sehatmandi for the period 2018-2020, a saving of \$150 million has been realized, which would cover the 7-10% increment of the BPHS contract for COVID-19 support. On average, this contractual amendment would provide \$33 million for BPHS implementers to allocated for COVID-19 response. The contract amendment is not yet made, which requires approval of national procurement authority. In total, considering both soft and hard pledges, an amount of around \$312 million has been allocated.

These pledges support MoPH to ensure expansion of diagnostic capacity, case management, risk communication, infection prevention and support to frontline workers. This also includes construction of new hospitals and upgrading the existing hospital to increase their capacity for effective COVID-19 response. The system faced major institution issues, mainly related to capacity and resources. Diagnostic capacity and availability of PCR test kits have been a challenge, which caused delay case detection and contact tracing. Hospitals capacity for treatment of sever and critical cases was reported as a major challenge for the health sector in all over the country. This included capacity related to trained human resource and availability of essential supplies, i.e. oxygen, ventilators, and PPE.

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<sup>14</sup> Internal Displacement Monitoring Center (IDMC) ranks Afghanistan among the top 5 countries in mass movements after Syria, Democratic Republic of Congo, Ethiopia, And Burkina Faso. Source: <https://www.internal-displacement.org/>

## Effect on Women

UN-Women reports<sup>15</sup> that COVID-19 impact on women is higher in developing countries; especially for vast majority of women who work for the informal economy. In the health and social services sectors where women make up to 70% of workers, heightened care needs of older persons put extra pressure on workers. With children out-of-school, unpaid care workload for women has also increased, it is well known that women already do three times as much unpaid care work as men globally. It is also reported that about 70% of COVID-19 quarantining has caused a spike in domestic violence levels. Finally, there appears that more men were tested than women. This cannot be optimal since no country that had deployed wide-ranging testing has so far detected any significant difference in the ability of the virus to infect—and make infectious—either gender.

COVID-19 and access to healthcare (SDG-3.8): COVID-19 has highlighted the need for further improved access to healthcare for the most vulnerable segments of society in Afghanistan. The 2030 Agenda is grounded in the Universal Declaration on Human Rights (UNDHR). Article 25.1 of the UNDHR states that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family. Also, according to Chapter 2 (Article 52) of the Afghan Constitution, *'The state shall provide free preventative healthcare and treatment of diseases as well as medical facilities to all citizens under the provisions the law'*. However, in 2017, the Universal Healthcare Coverage Index ranked Afghanistan at 176 out of 183 countries assessed globally.<sup>14</sup> Also, in 2017 there were only 0.4 hospital beds per 1000 of the population which places Afghanistan in the bottom 10% of 178 countries assessed.<sup>15</sup>

Health spending on the COVID-19 response (SDG-3.8.2): The opportunity for out-of-pocket spending on healthcare is limited due to the high poverty rate. In this sense, the opportunity for the private sector to take care of services that the government cannot afford to offer, would appear limited.

## SDG 8. Economic Growth<sup>16</sup>

The COVID-19 shock not only comes at a time when the country is facing a few other parallel shocks such as drought, climate change and economic instability. Measures must be taken not only to reduce the impact of COVID-19, but also to ensure resilience to other shocks such as climate and weather-related shocks, which are likely to increase in frequency and severity over coming years. COVID-19 will exacerbate the impacts of a legacy of a steady decline over the last decade in both the amount of Official Development Assistance and in spending by the international military. For example, a significant economic shock was caused by the phased departure of over 114,000 international troops since the peak in 2010. The troop drawdown, for example, resulted in the loss of an estimated 50-60,000<sup>17</sup> skilled and semi-skilled support jobs. The immediate impact of both factors was a severe slow-down in economic growth from 2012 to 2014 as responsibility for security was handed

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<sup>15</sup> UN Women and UN SG Brief on "The Impact of COVID-19 on Women" (9 April 2020). UN Women (2020) Issue Brief: COVID-19 and Ending Violence Against Women and Girls, May 2020.

over to Afghan forces. One of the other consequences was a sharp rise in the rate of emigration from Afghanistan to European countries which continues today. It also led to a significant increase in the level of conflict with the Taliban capturing a provincial capital in north-eastern Afghanistan in 2015 for the first time. After experiencing a highly erratic GDP growth rate for a few years, GDP growth had stabilised at around 2% growth per year 10 years prior to COVID-19.

Many of the SDG indicators rely on GDP as a measure of economic growth. The disruptions caused by COVID-19 on regional and international supply chains and the eight-week long quarantine measures implemented in the months of April and May, negatively impacted GDP growth in the first and second quarters of 2020 and significantly contracted economic activity across the country (SDG 8.1). Although the impact of COVID-19 on the Afghan economy is projected as a short-term shock, with most of the deceleration projected to recover in the space of one to two years, the cascading negative impact on other SDG targets, such as those on unemployment, loss of savings and income, and increasing household expenditures on health, could linger for years.

COVID-19 has had a significant impact on trade. Afghanistan's exports dropped to just US\$ 32.7 million from a reported \$204 million at the beginning of 2020. With an adversarial trade situation, especially considering the bilateral relations between Afghanistan's immediate trade partners, Iran and Pakistan, the recovery of pre-pandemic export levels may not be possible in just one or two years. This will negatively affect and further expand the demand-supply gap in Afghanistan with repercussions for almost every economic actor in agricultural supply chains, farmers, processors, and consumers. Also, price inflation has almost doubled, therefore reduced Afghanistan's competitiveness for exports.

For instance, regarding "work" deprivations UNICEF reports that they are most likely to affect the population living in households in which all working members hold a vulnerable employment post characterized by informal work arrangements and insecure tenure (75% of the population). If the effects concentrate only in that part of particularly vulnerable population, then they would rise from 51.7% to 67.3%. In particular, the proportion of people living in households that are deprived of food security the impact of the pandemic may deteriorate the MPI by a two-digit figure in practically all Provinces, except for Baghlan. Nine of out of 100 people are expected to face deprivations in all four predisposing factors simultaneously. The report concludes that the most "at-risk population" is highly likely to be multidimensional poor.

## SDG 11. Sustainable Cities

UN-Habitat underlines that over 90% of COVID-19 cases are happening in urban areas. With over one billion people living in informal settlements and slum-like conditions, COVID-19 is also exacerbating the vulnerability of these population groups<sup>16</sup>. Investing in environmental

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<sup>16</sup> UN-Habitat Urban Indicator Database, 2020. CCSA (2020), How Covid-19 is changing the world: a statistical perspective.

health, access to water and improved air quality emerge as priority areas for Afghanistan's recovery from COVID-19.

Scientists warn that polluted cities such as Kabul may have higher mortality rates from COVID-19, since there would be more people with underlying health issues. Scientists also believe viruses may bond with pollution particles, enabling them to remain in the air longer and helping them make their way into the body<sup>17</sup>.

As highlighted by the OECD<sup>18</sup>, while measures undertaken in response to the COVID-19 pandemic help improvement in outdoor air quality, at the same time, confinement measures can result in increased exposure to indoor air pollution. This is particularly relevant for Afghanistan where many people still rely on polluting fuels for cooking stoves, lighting, and heating. In addition, housing conditions tend to be crowded.

Furthermore, indoor air pollution is an issue for buildings and small shops lacking, or with poor, ventilation systems. Circulation of people in buildings with poor ventilation, including hospitals, can also facilitate the spread of COVID-19 and other viruses<sup>19</sup>.

## SDG 16: Peace, Justice and Strong Institutions

Another impact of COVID-19 is a predicted decline in GDP growth of around -6% for 2020 with a slow recovery in the post-COVID-19 era. This is likely to exacerbate the situation as a decline in GDP of this magnitude is likely to interact negatively with several other significant drivers of internal conflict. These include poverty (SDG-1), health (SDG-3), trade activity (SDG-10. a.), regime type, youth population size and unemployment rate<sup>20</sup> (SDG-8.6), and conflict in neighbouring countries. For example, COVID-19 is projected to increase internal conflict in Uzbekistan (0.1-0.25 probability of internal conflict) and Tajikistan (>0.25) which would in turn affect conflict in Afghanistan<sup>18</sup>.

Conflict and access to healthcare (SDG-16.6): Even though the Government's ability to deliver basic healthcare services has improved over the last decade, its capacity is still weak. As the Public Services Index (PSI) shows, despite the progress made, Afghanistan was still the worst performing country out of total of 176 countries assessed in 2018. On top of this, the Government has been unable to reach many conflict-affected regions to help with COVID-19 testing and treatment. COVID-19 will have stretched what capacity there is and so a significant injection of funding and intensive capacity building programme will be needed for the health system to regain lost ground after COVID-19. With this in mind, the Government should now probably consider including in the list of A-SDG targets and indicator, A-SDG-16.6.2: *'Proportion of the population satisfied with their last experience of public services'* as this indicator was excluded from the 2019 list.

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<sup>17</sup> National Geographic, 8 April 2020.

<sup>18</sup> <http://www.oecd.org/coronavirus/policy-responses/environmental-health-and-strengthening-resilience-to-pandemics-73784e04/>

<sup>19</sup> Xu, C. (2020), The 2019-nCoV epidemic control strategies and future challenges of building healthy smart cities, <https://journals.sagepub.com/doi/10.1177/1420326X20910408>

<sup>20</sup> the median age in 2019 was 18.4 years, and the unemployment rate for youth in 2018 was 17.7%

COVID-19 and Corruption (SDG-16.5): Overall corruption is likely to have reduced the impact of increased public spending on healthcare during the COVID-19 crisis. For example, corruption is likely to have driven up the price of many essential goods and services, reduced availability of essential protection equipment and drugs, and reduced the effectiveness of social protection payments to the most vulnerable. More broadly, systemic corruption will also have had a cross-cutting impact on the country's SDG performance scores and therefore also on human well-being outcomes as it erodes trust, weakens democracy, hampers economic development, exacerbates inequality, poverty, social division and increases the rate of environmental degradation. Although the Government has taken some steps to tackle corruption since the 2014 Tokyo Mutual Accountability Framework, this has not resulted in an improvement in the country's Corruption Perceptions Index score which placed Afghanistan at 173 out of 180 countries assessed in 2019.

The ongoing conflict has prevented the rise of effective and resilient public institutions to effectively and properly deliver goods and services to the public. The violence or fear of violence has imposed high cost on development and public service delivery. This situation has also given way to large-scale bribery and corruption in government institutions.

If the intra-Afghan negotiations pave the way for a cessation of violence and negotiated political settlement of the conflict in Afghanistan, tackling corruption and bribery should be perhaps one of the main agendas of the post-settlement government. Even in case these talks fail to end the conflict in Afghanistan, eliminating corruption and reforming the public institutions is even critical. The lack of progress on ending systemic corruption and seeing reforms in the public institutions through implementation has reversed many of the other positive outcomes that were achieved in Afghanistan, including the promotion, and strengthening of accountable and transparent institutions.

## 5. Policy response

Public works are probably the most promising first step for scaling-up in Afghanistan especially in rural locations affected by natural disasters. Public works programs, also known as “cash for work” or “food for work”, are commonly found in low-income countries and often take place in rural areas under stress. They typically target poor households and unskilled workers (often women) and can serve the dual objectives of generating income and creating or maintaining local infrastructure, for example, by improving water supply and sanitation or building roads, bridges, irrigation systems, schools, and health clinics. There are already some examples of such programs in Afghanistan supported by multiple donors. Setting the wage rate is critical in order to determine the costs of public works as well as for attracting participants. A daily wage rate between AFN300 and AFN350 appears to be the current norm (US\$3.8/day to US\$4.4/day). However, in the context of rural communities, especially during periods of systemic unemployment, a lower daily wage can be sufficient,

given that the average daily income (GDP/person) is only AFN120 (US\$1.6) and for those below the poverty line equal or less than AFN68 (US\$0.9). On this basis, it is estimated that:

Public works for 75 days (3 months) paid to one million beneficiaries:

- At a daily “market” wage rate of AFN300 (US\$3.9) would require a fiscal outlay of 1.5 percent of GDP (US\$293 million)
- At a daily “average income” rate of AFN120 (US\$1.6) would require a fiscal outlay of 0.6 percent of GDP (US\$117 million)
- At a daily “poverty line” rate of AFN68 (US\$0.9) would require a fiscal outlay of 0.3 percent of GDP (US\$66 million).

The international community is supporting Afghanistan in fighting the pandemic. In addition to the funds pledged at the Geneva conference, the IMF provided an emergency assistance grant of US\$220 million while the World Bank contributed another US\$400 million last year. The latter amount is a significant 1.6 percent of GDP and targets Afghan households with incomes up to US\$2 per day (twice the national poverty line). As approximately 90 percent of all households fall below that threshold, the program is near universal. Households in rural areas will receive an equivalent of US\$50 in essential food staples and hygiene products, while those in urban areas will receive a combination of cash and in-kind equivalent to US\$100.

Table 2 (below) summarizes preliminary analytical outputs regarding COVID-19 impact on SDGs based on a cross-elasticity matrix for Afghanistan SDGs developed by the IGES<sup>21</sup> and A-GTAP CGE model simulations. This analysis focuses on 3 SDGs: No Poverty (SDG1), Zero Hunger (SDG2) and Peace, Justice and Strong Institutions (SDG16). SDG3 on health and well-being and the rest of the SDGs could not be incorporated to the modelling analysis due to lack of data. The SDG elasticities matrix is reduced from (17x17) to (6x6) in dimension due to the lack of time series on the evolution of the SDG targets that are of interest for this paper.

Table 2 also displays select SDGs’ evolution based on statistics from national and international resources. The first (3) columns on the left refer to the definition and description of the SDG targets. The 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> columns describe respectively the SDG indicator, data source and their baseline defined by Afghanistan’s adoption of SDGs in 2015. Column (7) shows the latest value of the target before the Pandemic and Column (8) in 2020 where the pandemic hit Afghanistan. Column (9) is the difference between columns (8) and (7) that corresponds to the impact of COVID-19. Column (10) accounts for SDG policies (such as target 1.a. “development of an appropriate policy framework”) and shows how COVID-19’s adverse impact is alleviated through policy improvement, although COVID-19’s impact

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<sup>21</sup> IGES (2017), Xin Zhou and Mustafa Moinuddin, Research Report Sustainable Development Goals Interlinkages and Network Analysis: A practical tool for SDG integration and policy coherence: [https://www.iges.or.jp/en/publication\\_documents/pub/researchreport/en/6026/IGES\\_Research+Report\\_SDG+Interlinkages\\_Publication.pdf](https://www.iges.or.jp/en/publication_documents/pub/researchreport/en/6026/IGES_Research+Report_SDG+Interlinkages_Publication.pdf)

across targets is negative (the policy impact is calculated for targets 2.2, 2.3 and 2.4 by applying cross-elasticities to SDG targets on which we have robust statistics, specifically targets 1.2 and 2.1). In other words, pandemic's impact on targets 1.2 and 2.1 allow to estimate the impacts on targets 2.2, 2.3 and 2.4, using econometrically estimated coefficients from the SDG cross-elasticities matrix.

Covid-19 pandemic revealed major capacity issues in the health sector of Afghanistan. The system faced serious challenges in diagnosis, case management, human resources, risk communication and surveillance, and procurement, thereby SDG16 was incorporated as an "enabler" to the model simulations as the indicator of improved governance in the health sector.

In addition to statistics and elasticities, Column (11) makes use of the Afghan Government's estimate on financing needs for SDG attainment and SDG cross-elasticities. We assume that annual financing needs would be identical, and assess the funding gap for 2021, first year of recovery based on recent economic assessments. Assuming Afghanistan would grow around (2%) in 2021 as projected by the IMF, poverty would decline by around 14 percentage points from its level in 2020 (using a Poverty-Growth elasticity of 2.8 for South Asia from the literature). Cross-elasticities between poverty reduction and other targets were used to estimate improvement in SDG attainment in 2021. In addition, we assumed an efficiency improvement in SDG policy framework based on allocation of necessary funding for SDG attainment (around \$297 million per year based on the Afghan Government's evaluation). In this scenario, it is assumed that 1/3 of additional revenue collection from royalties and export duties by taxing the illegal mining activities (\$ 41 million per year) and 1/3 of revenue collection from VAT at the borders (\$257 million) would be allocated to the SDG attainment (totalling \$ 297 million as estimated by the Government). Therefore, SDG target indicators are assumed to be attained for 2021.

Column (12) makes use of the A-GTAP CGE model simulation outputs on regional cooperation and the SDG cross-elasticities matrix. SDG target 16.8 refers to Afghanistan's participation in regional institutions and enhanced regional cooperation. A 10% reduction in the cost of doing trade between Afghanistan and SAARC countries would add 5.37% to the country's GDP in 2020 while farmers' incomes will grow by 9.24% on average from their level in 2020: Targets 2.3 and 2.4. Finally, GDP gain resulting from improved trade with SAARC would be translated into 15 percentage point reduction in Poverty (using a Poverty-Growth elasticity of 2.8 for South Asia from the literature) and 14.3 percentage point reduction in food insecurity (Target 2.1).

**Table 2. Evaluation of COVID-19 Impact on SDGs based on SDG Cross-Elasticities and A-GTAP CGE Model Scenarios (2020 and 2021)**

| 1       | 2      | 3                                                                                                   | 4                                                                          | 5                        | 6            | 7            | 8                     | 9                                                         | 10                                                                                          | 11                                                                                                                | 12                                                                                                                       |
|---------|--------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------|--------------|--------------|-----------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| SDG     | Target | Description                                                                                         | Indicator                                                                  | Data source              | Baseline     | Latest value | Value - under COVID19 | % Change under COVID compared to latest value - no policy | % Change in recovery from COVID compared to latest value - with SDGs policy implementation* | % Change in recovery from COVID compared to latest value - with policy and additional funds from fiscal reforms** | % Change in recovery from COVID compared to latest value - with policy and additional funds from regional cooperation*** |
| 1       |        | <b>End poverty in all its forms everywhere</b>                                                      |                                                                            |                          |              |              |                       |                                                           |                                                                                             |                                                                                                                   |                                                                                                                          |
|         | 1.2.   | By 2030, reduce at least halve poverty                                                              | Proportion of population living below national PL                          | ALCS & UNICEF            | (2016) 54.5% | (2016) 54.5% | (2020) 72%            | -17.5 pp                                                  | -12.5 pp                                                                                    | 5.45 pp                                                                                                           | 15 pp                                                                                                                    |
| 2       |        | <b>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</b> |                                                                            |                          |              |              |                       |                                                           |                                                                                             |                                                                                                                   |                                                                                                                          |
|         | 2.1.   | By 2030 end hunger and ensure access by all                                                         | Proportion of population below minimum level of dietary energy consumption | ALCS & UNICEF            | (2016) 45%   | (2016) 45%   | (2020) 45.5%          | -0.5 pp                                                   | -0.33 pp                                                                                    | 5.12 pp                                                                                                           | 14.3pp                                                                                                                   |
|         | 2.2.   | By 2030 end all forms of malnutrition                                                               | Prevalence of undernourishment (% of population)                           | WDI - WB                 | (2015) 28.6% | (2018) 29.8% | (2020) 27.3%*         | -2.5 pp                                                   | -2.29 pp                                                                                    | 5.12 pp                                                                                                           |                                                                                                                          |
|         | 2.3.   | By 2030 double the agricultural productivity, incomes                                               | Agricultural value added (annual growth %)                                 | WDI - WB                 | (2016) 5.97% | (2019) 7.5%  | (2020) 5%             | -2.5 pp                                                   | -2.18 pp                                                                                    | 5.07 pp                                                                                                           | 9.24%                                                                                                                    |
|         | 2.4    | By 2030 ensure sustainable food production systems                                                  | Agricultural value added (annual growth %)                                 | WDI - WB                 | (2016) 5.97% | (2019) 7.5%  | (2020) 5%             | -2.5 pp                                                   | -1.96 pp                                                                                    | 3.97 pp                                                                                                           | 9.24%                                                                                                                    |
| 16      | 16.8   | <b>Broaden and strengthen participation in global governance institutions</b>                       |                                                                            |                          |              |              |                       |                                                           |                                                                                             |                                                                                                                   |                                                                                                                          |
|         |        | Regional cooperation with SAARC countries                                                           | Real GDP                                                                   | A-GTAP model simulations |              | (2019) 2.9%  | (2020) -6.25%         |                                                           | 5.37%                                                                                       |                                                                                                                   |                                                                                                                          |
|         |        |                                                                                                     | % Increase in farmers' income                                              |                          |              |              |                       |                                                           |                                                                                             |                                                                                                                   | 9.24%                                                                                                                    |
| Legend: |        | Adversely affected by COVID19<br>Positively affected by COVID19                                     |                                                                            |                          |              |              |                       |                                                           | * UNDP estimations using cross-elasticities                                                 | ** UNDP estimations using cross-elasticities and fiscal projections third of mining and border VAT revenues       | *** UNDP simulations using A-GTAP model and cross elasticities                                                           |

As per a recent IMF study<sup>22</sup> on the macro-economic cost on conflict, improved peace conditions and regional cooperation would benefit both Afghanistan and its trade partners.

Currently the number of casualties in Afghanistan are around 100 deaths per million annually which corresponds to “medium severity” conflict condition according to the IMF study. Assuming a peace deal is signed in 2020 and maintained for the four consecutive years, Afghanistan would cumulate 7.2 percent GDP gain triggered by higher trade transactions with SAARC countries (a cumulative increase of 11% in Afghanistan’s imports, meaning higher demand towards SAARC exports by 2024). Based on the A-GTAP Model Simulations, this would translate to significant GDP gains in the country’s major trade partners (Iran and Pakistan around 1% GDP) due to spill-over effect (Table 3).

**Table 3. A-GTAP Model Simulation on Peace and Regional Cooperation**

| Change in Real GDP   | (%)    |
|----------------------|--------|
| Afghanistan          | 6.8413 |
| Iran                 | 1.1167 |
| Armenia              | 0.0030 |
| Nepal                | 0.1269 |
| Pakistan             | 1.1114 |
| United Arab Emirates | 0.0002 |

Source: Simulations using A-GTAP CGE model

## 6. Conclusions

Based on the recent statistics, COVID-19 caused clearly a setback for Afghan economy and the attainment of the A-SDGs in the short-term, but this does not put out of reach neither the A-SDGs, nor Afghanistan’s long-term commitment on sustainable development.

Reforms should prioritize reinforcing the link between Health System (SDG-3) and Strong Institutions (SDG-16) to be better prepared for a potential second wave of Coronavirus pandemic or similar public health emergencies. Lessons learnt from COVID-19 need to be analysed aiming to shape the future policy for health system strengthening and serviced delivery in the country. This will include, but not limited to lessons learnt on governance of healthcare, especially at community level; health service delivery; availability of pharmaceuticals and essential supplies; human resource for health; health financing; and health information system. A form of social insurance (as being considered by the

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<sup>22</sup> IMF (2020), Macro-economic Cost of Conflict, WKP/20-110.

Government) or mutual aid insurance for the poor could have a significant impact on health outcomes in Afghanistan.

Resource mobilization, including international financing is key in addressing the adverse impact of COVID-19 on SDG attainment. In Afghanistan, the SDGs can be achieved through a combination of policies, including increased public transfers to the poor to alleviate poverty (SDG-1) and food insecurity for the most vulnerable households (SDG-2), increased public outlays for social services such as healthcare (SDG-3), in tandem to improved governance and strong institutions (SDG-16) as an enabler for effective and transparent policy implementation regarding overall SDG agenda. This paper provides an initial assessment of addressing the fallout in SDG attainment using four (4) SDGs as an example.

Our analytical results reveal that SDG targets set for 2020 and beyond are still achievable. Among other policy options of paramount importance include strengthening institutions (SDG-16) for more efficient tax collections, hence increasing revenue mobilization. Our model simulations demonstrate that 30% of the potential revenue to be generated by VAT collections at the borders, in addition to 30% of revenue to be collected from excise and export tax from legalizing illegal mining activities would generate \$300 million/year for SDG funding. The remaining 70% of additional revenue would support both the fight against COVID-19 and other longer- term development policies.

Regarding SDG-1 and SDG-2, the Government could opt for more affordable policy options regarding social protection such as: (i) income support of around 1,000 Afghanis/month to the elderly (“social pension”) for six months would require only 0.25% GDP; (ii) Income support for the internally displaced (IDPs) and returnees would cost around 0.5% GDP; (iii) civil works for unemployed for 100 days at wage of 1,000 Afghanis/month would require around 1 % of GDP.

Beyond supporting immediate interventions, SDG agenda should be embedded in the national planning and budgeting process starting with the NPPs. The reason is that complex development outcomes such as health (SDG-3), cannot be understood in isolation from the wider determinants of health outcomes such as poverty (SDG-1), hunger (SDG-2) gender equality (SDG-5), water and sanitation (SDG-6), energy (SDG-7), climate change (SDG-13) and sustainable land use (SDG-15).

Overall policy coherence between the NPPs and other national programs and budgeting need to be strengthened. Improvement to the degree of alignment between the A-SDGs and national development priorities and implementation mechanisms can benefit from increased engagement. In turn, active engagement will benefit from institutionalisation of consultative mechanisms, including platforms for dialogue on evidence-based policy options focusing on system-wide impact, moving away from fragmented, siloed interventions. A fragmented public health response to the COVID-19 is a recent example.

A comprehensive M&E system is needed regarding national development projects and their impact on SDGs. For instance, despite references to poverty alleviation as a crosscutting policy objective in almost all the NPPs, there are no measurable outcomes directly addressing poverty neither at the national nor sub-national level.

Mainstreaming of the A-SDG national indicators framework during the design and roll-out of the second phase of the Citizens' Charter is a practical starting point. Given (the only major public investment program that directly addresses poverty reduction through the provision of block grants to the communities). This can be done through social cash transfers, and emergency or public employment programs at scale implemented through the Citizens' Charter National Priority Program.

Also, thanks to the Charter's long-term vision, it will facilitate reporting progress on achieving A-SDG goals on eradicating poverty, eliminating hunger, creating decent work, and unleashing the local communities' long-term economic growth potential. It will also serve as a pivot for policy coherence between the vision that ANPDF II sets, the policy objectives of 15 NPPs and the project-based budgets and plans of implementing agencies.

(SDG-16.1) reducing the intensity of conflict and therefore its cost, significantly reducing current levels of corruption (SDG-16.5) and an improved trade environment (SDG-10.a.) would enable Afghanistan to address the adverse impact of the Coronavirus on the economy as well as SDG alignment. Reforms would include among others accelerated implementation of the anti-corruption strategy, starting with the customs and revenue reforms to boost Afghanistan's trade performance and finalization of Ombudsperson Office law to improve overall business environment.

Some pre-pandemic policies that never were or are no longer optimal from society's point of view need to be discontinued, and the saved resources are reallocated to a carefully calibrated stimulus package. Reducing waste and allocating it for purposes that favour all Afghan citizens, safeguarding activity levels and livelihoods, would contribute to reducing suffering and social tensions. It would improve expectations about the future and could set the stage for trust-building measures. These hospitals will receive health equipment and medical supplies and comprise some 300 beds, with quarantine facilities and intensive care units, across five provinces.

This integrated policy support will build on the success of building institutional capacity and infrastructure for achieving the A-SDGs. Laying the ground work for building a financing ecosystem for Afghanistan, integration of the A-SDGs into the national planning and budgeting processes and development of a robust, integrated monitoring and reporting mechanism for the A-SDGs are the main thematic areas of the support.

## Appendix A: SDG Targets and Indicators

### a. SDG1 - Poverty

| Goals/Full name                                 | Targets/Full name                                                                                                                                                                                                                                                                                                                                 | Indicators/Full name                                          |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Goal 1. End poverty in all its forms everywhere | Target 1.1 by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day                                                                                                                                                                                                            | Proportion of population below \$1.90 (2011 PPP) per day      |
|                                                 | Target 1.2 by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions                                                                                                                                                                       | Proportion of population living below national poverty line   |
|                                                 | Target 1.3 implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable                                                                                                                                                             | Health expenditure, public (% of total health expenditure)    |
|                                                 | Target 1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance | Data not available.                                           |
|                                                 | Target 1.5 by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters                                                                                                           | Total economic damage from top ten natural disasters          |
|                                                 | Target 1.a create sound policy frameworks, at national, regional and international levels, based on pro-poor and gender-sensitive development strategies to support accelerated investments in poverty eradication actions                                                                                                                        | Data not available.                                           |
|                                                 | Target 1.b ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries, in particular LDCs, to implement programs and policies to end poverty in all its dimensions                                             | Net official development assistance (ODA) received (% of GNI) |

## b. SDG2 - Food Security

|                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                            |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture | Target 2.1 by 2030 end hunger and ensure access by all                                                                                                                                                                                                                                                                                                                                 | Proportion of population below minimum level of dietary energy consumption |
|                                                                                                      | Target 2.2 by 2030 end all forms of malnutrition, including achieving by 2025 the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons                                                                                                      | Prevalence of wasting in children under 5 years of age, weight for height  |
|                                                                                                      | Target 2.3 by 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment | Crop production index (2004-2006 = 100)                                    |

| Goals/Full name | Targets/Full name                                                                                                                                                                                                                                                                                                                                                                                                                                  | Indicators/Full name                    |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
|                 | Target 2.4 by 2030 ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality                                                                                     | Crop production index (2004-2006 = 100) |
|                 | Target 2.5 by 2020 maintain genetic diversity of seeds, cultivated plants, farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at national, regional and international levels, and ensure access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge as internationally agreed | Data not available.                     |
|                 | Target 2.a increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development, and plant and livestock gene banks to enhance agricultural productive capacity in developing countries, in particular in least developed countries                                                                                                            | Data not available.                     |
|                 | Target 2.b. correct and prevent trade restrictions and distortions in world agricultural markets including by the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round                                                                                                                                                  | Data not available.                     |
|                 | Target 2.c adopt measures to ensure the proper functioning of food commodity markets and their derivatives, and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility                                                                                                                                                                                                   | Data not available.                     |

### C. SDG3 - Health

|                                                                                |                                                                                                                                                                                  |                                                                                                                                |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Goal 3. Ensure healthy lives and promote well-being for all at all ages</b> | Target 3.1 by 2030 reduce the global maternal mortality ratio to less than 70 per 100,000 live births                                                                            | Maternal mortality ratio per 100,000 live births                                                                               |
|                                                                                | Target 3.2 by 2030 end preventable deaths of newborns and under-5 children                                                                                                       | Children under five mortality rate                                                                                             |
|                                                                                | Target 3.3 by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases | Reported confirmed malaria cases (Microscopy slides/RDTs positive)                                                             |
|                                                                                | Target 3.4 by 2030 reduce by one-third pre-mature mortality from non-communicable diseases (NCDs) through prevention and treatment, and promote mental health and wellbeing      | Probability of dying between exact ages 30 and 70 from any of cardiovascular disease, cancer, diabetes, or chronic respiratory |
|                                                                                | Target 3.5 strengthen prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol                                                      | Current smoking of any tobacco product (age-standardized rate)                                                                 |
|                                                                                | Target 3.6. by 2030 halve global deaths from road traffic accidents                                                                                                              | Road traffic death rate per 100,000 population                                                                                 |
|                                                                                | Target 3.7 by 2030 ensure universal access to sexual and reproductive health care services, including for family planning,                                                       | Contraceptive prevalence, any methods (% of women aged 15-49)                                                                  |

### d. SDG16 - Peace, Justice, and Institutions

|                                                                                                                                                                                                   |                                                                                                                                                                     |                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</b> | Target 16.1 significantly reduce all forms of violence and related death rates everywhere                                                                           | Intentional homicides per 100,000 people |
|                                                                                                                                                                                                   | Target 16.2 end abuse, exploitation, trafficking and all forms of violence and torture against children                                                             | Intentional homicides per 100,000 people |
|                                                                                                                                                                                                   | Target 16.3 promote the rule of law at the national and international levels, and ensure equal access to justice for all                                            | Data not available.                      |
|                                                                                                                                                                                                   | Target 16.4 by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime | Data not available.                      |
|                                                                                                                                                                                                   | Target 16.5 substantially reduce corruption and bribery in all its forms                                                                                            | Corruption Perception Index (CPI)        |
|                                                                                                                                                                                                   | Target 16.6 develop effective, accountable and transparent institutions at all levels                                                                               | Corruption Perception Index (CPI)        |

| Goals/Full name | Targets/Full name                                                                                                                                                                                                                           | Indicators/Full name                                      |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
|                 | Target 16.7 ensure responsive, inclusive, participatory and representative decision-making at all levels                                                                                                                                    | Proportion of seats held by women in national parliaments |
|                 | Target 16.8 broaden and strengthen the participation of developing countries in the institutions of global governance                                                                                                                       | Data not available.                                       |
|                 | Target 16.9 by 2030 provide legal identity for all including free birth registrations                                                                                                                                                       | Data not available.                                       |
|                 | Target 16.10 ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements                                                                                     | Mobile cellular subscription rate                         |
|                 | Target 16.a strengthen relevant national institutions, including through international cooperation, for building capacities at all levels, in particular in developing countries, for preventing violence and combating terrorism and crime | Data not available.                                       |
|                 | Target 16.b promote and enforce non-discriminatory laws and policies for sustainable development                                                                                                                                            | Data not available.                                       |

Source: IGES (2017)

## Appendix B: SDG Cross-linkages

SDGs comprise a set of 17 Sustainable Development Goals (SDGs) and 169 associated targets. These 17 goals and associated targets inherently interlink with one another. Policies and projects developed for achieving a specific goal may be mutually reinforcing or contradicting the achievement of another goal. The matrix in this analysis was developed by the IGES and Ministry of Economy in 2017. This analytical tool offers a good opportunity to develop an integrated analysis, to scale up synergies, and minimize trade-offs in Afghanistan.

This interconnected nature of the SDG targets has prompted several key scientific and policy researches aimed at understanding, visualizing, and quantifying these interlinkages for better integration and policy coherence. While most researchers have largely focused on using qualitative and semi-quantitative methods to help interpret and visualize these interferences, the Institute for Global Environmental Strategies (IGES) offers by far the most comprehensive analysis of SDG interlinkages using Social Network Analysis and indicator-level time-series data. Additionally, IGES has created dashboard matrices for most of the developing countries in South Asia, including Afghanistan. This section relies on the IGES-developed dashboard matrix for Afghanistan and adapts it to analyse the Afghanistan SDG interlinkages to assess the cascading effects of COVID-19 on ASDG targets in the later sections of this report.

Almost all the SDG targets are either negatively or positively interrelated to one or more SDG targets. These interrelationships can directly or indirectly reinforce or constrain progress towards achieving those targets that are mostly dependent for their achievement on other targets. For example, eliminating national poverty (target 1.2) is highly dependent on many other targets. Meanwhile, promoting inclusive and quality education (targets 4.1 and 4.2) has a strong positive influence on most SDG targets, including the elimination of national poverty. There are also targets with conflicting and countervailing influence on most SDG targets. SDG targets promoting access to food, clean water, and irrigation as well as energy could negatively impact quite many SDG targets if the trade-offs are not identified, understood and managed well.

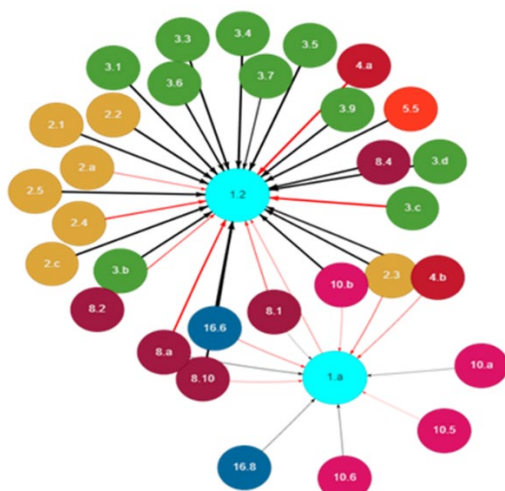
Given the complexity of these interactions and interconnections that exist among SDG targets, using Social Network Analysis (SNA) techniques offer a management tool that is fit for purpose. The network metrics, such as degree (measures the number of links going into or out of the node --in this context, the number of targets of one SDG goal that link to other Goals), strength (measures the total number of links from a node), betweenness (measures how nodes placed in a graph and how the information flows), eigenvector (whether a target is connected to influential targets) and closeness (helps us understand how central is a target in the network) centrality measures are practical in Identifying, visualizing and quantifying these the interactions and interconnections of SDG targets. These techniques help us identify and visualize trade-offs and synergies and by identifying strategic targets,

those with multiplier effects, allow us to plan and invest in the leverage points of the Afghanistan SDGs.

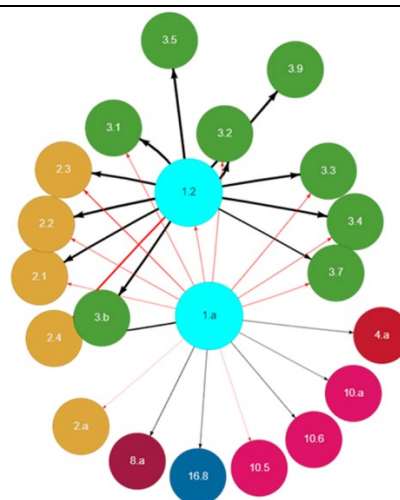
Figures 5 and 6 show the network structure of the SDG targets selected for this study. The fluorescent blue targets are selected as the national priority targets. The graph shows in-degree (how the targets related to poverty are being influenced by other targets of the selected SDGs for this study) influences and out-degree (how the poverty targets affect other targets) influences. The thick black lines show positive and strongly reinforcing relationships, while the narrow black lines show weaker causal relationships between one or more targets selected. The thick red lines indicate strong conflicting relationships or influence while the dotted lines show in-degree and out-degree (positive and negative) that exist between a pair of targets but could not be quantified because of lack indicator-level data.

Assessing systemic negative impacts on SDGs like COVID-19 often makes it necessary to identify and gauge both in-degree and out-degree influences that exist among targets. These influences could be positive, negative or conflictual but assessing them, and where possible quantifying them, could bring to light the full scale of COVID-19's impact on SDGs in Afghanistan. A negative impact on one target could strongly cascade to other targets with first, second and third order negative effects. Therefore, it becomes important that while targets related to poverty and hunger take centre stage, we should also carefully examine the degree to which other targets are influenced when poverty and hunger increase due to COVID-19. The below graph shows the in-degree influences on Afghanistan SDG targets 1.2 and 1.a. Again, the thick black lines indicate stronger positive (reinforcing) relationships, thick red lines indicate negative (conflicting) relationships. The narrower lines indicate weak positive and weak negative relationships/influences.

**Figure 5.** Influences of Other Targets on SDG Targets (1.2 and 1.a.)



**Figure 6.** Influences of SDG Targets (1.2 and 1.a.) on Other Targets



Source: IGES (2017)

## Appendix C: Funding Gap Analysis

In 2018, the Ministry of Economy conducted a funding gap analysis for their A-SDG targets. These entities used their current budget allocations as baseline for estimating how much additional funding was required to implement large-scale projects in each target area—not the full attainment of the targets.

For example, they assessed that an additional US\$ 4,464,527,735 was needed across eight different budgetary sectors for them to make significant progress on A-SDG targets (not even to achieve these targets). In sum, these estimates showed that USD 300 million investment was needed annually until 2030 starting from 2020 to make progress on SDG targets. These estimates shed light on how Afghanistan was already off-track on SDG targets from a funding and investment perspective even before the COVID-19 pandemic hit the country. As the A-SDG costing exercise will rightly capture this, the funding gap for A-SDGs since these estimates were made will have significantly widened as a result of the COVID-19 pandemic and the overall uncertainty surrounding the peace talks with the Taliban. Therefore, and in the wake of how COVID-19 has disrupted global economic growth, it becomes important for Afghanistan to tap into alternative and innovative financing instruments for A-SDG related investment priorities, including the 15 National Priority Programs (NPPs) that are currently being conceived.

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