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SDGs

in Afghanistan

Stock-taking and Moving Forward

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SDGs in Afghanistan: Stock-taking and Moving Forward

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Biruni Institute
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Abbreviations

ADHS	Afghanistan Demographic and Health Survey
AEO	Afghanistan Economic Outlook
ALCS	Afghanistan Living Condition Survey
ANPDF	Afghanistan National Peace and Development Framework
ASDGs	Afghanistan Sustainable Development Goals
CAREC	Central Asia Regional Economic Cooperation Program
COVID-19	Corona Virus Disease 2019
ECO	Economic Cooperation Organisation
FDI	Foreign Direct Investment
GoIRA	Government of Islamic Republic of Afghanistan
IDP	Internally Displaced Persons
IMF	International Monetary Fund
IRC	International Rescue Committee
MNCs	Multinational Corporations
MoEc	Ministry of Economy
MoF	Ministry of Finance
MoPH	Ministry of Public Health
NPP	National Priority Program
NSIA	National Statistics and Information Authority
NUG	National Unity Government
RIA	Rapid Integrated Assessment
SAARC	South Asian Association for Regional Cooperation
SDGs	Sustainable Development Goals
SMEs	Small-Medium-sized Enterprise
UNDP	United Nations Development Program
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
VNR	Voluntary National Report

WHO World Health Organisation

A-GTAP Afghanistan Global Trade Analysis Project

WTO World Trade Organisation

SDGs in Afghanistan: Stock-taking and Moving Forward^[1]

Abstract

This paper takes stock of the progress towards the SDGs in Afghanistan and discusses the policy options that could help achieve the SDGs by 2030. It also assesses the role of regional cooperation instruments and the Covid-19 pandemic in accelerating or derailing the SDGs. We find that Afghanistan has made significant procedural progress in translating SDGs agenda into policy programs by nationalising the SDG targets and indicators, carrying out policy alignment analysis, and taking initial steps in data assessment by identifying baselines for each indicator and the gaps. To maintain the procedural progress, we propose frequent data evaluations and annual stock-taking exercises to better monitor progress towards the ASDGs, as the SDG costing and financing strategy is currently being developed. On the

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political buy-in for ASDG agenda, we propose reinstalling a high-level institutional arrangement to ensure ASDG receives the technical, political and financial support required to mainstream the agenda. In addition, closing the gap in policy-budget disconnect will enable targeted government spending that is aligned with SDG targets and objectives. We review and assess the essential role that trade, technology, information sharing, FDI and institutional cooperation play in achieving those SDGs that require regional cooperation.

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I. Introduction

The Sustainable Development Goals (SDGs) were adopted in September 2015 as a part of the UN resolution, 'Transforming our world: the 2030 Agenda for Sustainable Development'. Member states committed to fight poverty, hunger, inequality, injustice and improve socioeconomic indicators. SDGs provide a comprehensive development framework at three levels: national, regional and global.

In order to do so, member states committed to align, integrate and implement SDG objectives within their development agenda. A presidential instruction (in 2017) and Council of Minister's decision (in 2015) mandated the Ministry of Economy (MoEc) to coordinate and manage the nationalisation and implementation process in Afghanistan (ASDGs). In addition, MoEc was tasked to monitor and report progress of ASDGs to the Cabinet and through diplomatic channel to the United Nations (UN). UNDP is recently tasked to function as the integrator amongst the UN family in Afghanistan. The work on ASDGs included phase I: nationalisation and alignment process (2016-2020) and Phase II: Implementation and Monitoring Progress (2021-2030) (VNR, 2017).

Afghanistan has made remarkable achievements in the process of preparing for SDGs implementation nationally and provincially. These included preparing, nationalising and carrying out a thorough situation analysis of SDGs within the national development agenda. We discuss this in section II of this paper. However, as 2021 marks the beginning of the implementation phase of SDGs, there are several challenges ahead, if not addressed, they have the potential to derail the success achieved thus far.

Under national unity government (NUG) political divide at the leadership level and the assumption that an international agenda is about to dominate the debate, and de-prioritize existing national plans. While the understanding should have been that the two agendas complement each other because SDGs are goals and not programs/projects. Post-Geneva 2020 pledging conference, indicates a shift in the narrative, and this is evident in Afghanistan National Peace and Development Framework (ANPDF) II (2021-2024). As it lays claim that its implementation path (i.e. the NPPs) focuses on five SDG pillars: people, planet, prosperity, peace and partnership (ANPDF II, 2020).

We suspect there are two major reasons behind the shift in this narrative, it gives the government leverage to source additional financing for future development agenda, and it is a needs-based shift in the official attitude. Afghanistan's "special case" status as aid recipient has diminished over the years. This is evident from the donor fatigue and sustained decline in external finances pledged to Afghanistan. Second joint efforts between Ministry of Economy (MoEc), Ministry of Finance (MoF) and UNAMA may have proven fruitful and there is a conceptual shift within the high-level policy making circles in the government to adopt SDGs as the future development framework embedded within ANPDF II. We assign a lower probability to the second reason compared to the first.

We divided challenges that lay ahead of successfully implementing SDGs (henceforth ASDGs) agenda in Afghanistan into two kinds: national and policy specific:

General challenges include economic uncertainty, sustained decline in ODA finances, surge in conflict and violence, future of peace-

talks (political uncertainty) and the Covid-19 pandemic disruptions. All these factors pose great challenges ahead of the second phase of ASDGs. There is limited control over these factors and dealing with them is beyond the immediate reach of the Government of Islamic Republic of Afghanistan (GoIRA). Due to aforementioned challenges, poverty (SDG1), hunger (SDG2), inequality (SDG10), unemployment (SDG8), peace & injustice (SDG16) and vulnerability to major environmental threats (SDGs 6 & 13) have been on the rise over the past decade.

Specific challenges are those particular to implementation that directly affect ASDGs progress. ASDGs costing exercise is not conducted yet and that makes it difficult to develop a feasible financial strategy for the agenda. Another procedural challenge is the overall policy-budget disconnect in the country. This makes it difficult to measure project level impact, which extends its negative impact on how SDGs agenda is reflected nationally in the government's development budget. The ANPDF and NPP level discussion is further disconnected from the annual budgetary unit's policymaking process within the government. This failure further affects SDGs as well even if the ANPDF-ASDG alignment takes place. Currently there is little political guidance on the future of SDGs and even less debate on human development modalities in Afghanistan, which has regressed recently (HDI, 2020). The government has not taken any nation-wide initiatives to this end. SDGs has the potential to be at the centre of this kind of development debate.

At the moment, formalising partnerships, creating forums, platforms to mainstream the agenda has not been done adequately. Ad hoc attempts have been made to engage civil society, the media etc.

The concept has not entered the country's education system and it is not introduced to the upcoming generations nationally. Data availability from collecting the right data to dissemination and making sense of it remains a challenge. Addressing these challenges require a whole of government approach that brings together all relevant stakeholders.

In addition, monitoring and evaluation mechanisms, and the future of SDGs (phase II: implementation) in Afghanistan remain uncertain. The NUG had established an Executive high-level committee on SDGs at the country's former Chief Executive Office that actively engaged civil society organisation, media, academic institutions, donors, and other government institutions in four working groups. With the end of NUG, those structures that had oversight power and monitoring mandate has been abolished. All future efforts on implementing SDGs successfully in Afghanistan is conditinal on putting the correct institutional arrangement in place and giving it the right powers/mandate and expertise.

II. Outlook: moving forward

We discuss challenges and opportunities in this section with a focus on two phases outlined in the ASDG implementation strategy. Discussions in this section are the result of comprehensive stakeholder consultations carried out with the government, private sector, civil societies, and academia. While we cannot name or quote anyone directly, we thank them for enriching the analysis, we mention the full list in the acknowledgement.

Our consultations assess developments so far, implementation strategies put in place for achieving ASDGs, while identifying

challenges that lie ahead. Through this, we identify and propose solutions on how to move forward and facilitate better implementation of ASDGs to keep the agenda on track.

i. Phase I (2016-2020): nationalisation and alignment

Afghanistan has successfully accomplished phase I of the SDGs despite major challenges, both political and institutional. This is owed mostly to the hard work done by the MoEc.

Nationalisation

The nationalisation process to implement SDGs in Afghanistan (henceforth ASDGs) divided the objectives into 8 socio-economic sectors. This was to enable budgetary agencies and other organisations involved to take stock of the current situation, track progress and monitor indicators efficiently. Table 1 below provides an overview of the national budgetary sectors, their respective goals, national targets and indicators.

The government carried out stakeholder engagement activities to introduce ASDGs for the first time, these included awareness campaigns, mobilizing and building partnerships with national and local stakeholders, bringing together sectors of the society and boosting participation. As a result, the Afghanistan Sustainable Development Goals (ASDGs) 2015-2030 national document was developed. This identifies and adopts 16 of the 17 goals (excluding SDG 14: Life below water), 112 of the 169 targets, and 178 of the 232 indicators (ASDGs, 2018). The national ASDGs document provides a robust analysis of targets, goals and assesses each goal by sector.

Table 1: ASDGs Targets and Indicators by Sector.

Budgetary units	ASDGs	No. of Targets	No. of Indicators
Security	G3, G11, G16	5	7
Education	G4, G8, G11, G12, G16	14	41
Health	G2, G3	11	20
Governance	G16	5	6
Infrastructure	G5, G6, G7, G9, G11, G15, G17	27	30
Social protection	G1, G4, G5, G8, G10, G11, G13, G16	22	33
Agriculture and rural development	G1, G2, G6, G9, G12, G15	12	15
Economic	G1, G8, G9, G10, G12, G17	14	26
8 sectors	16 Goals	110	178

Source: ASDG data gap analysis, MoEc.

However, official GoIRA awareness and outreach campaigns failed to create a national level debate on SDGs compared to other South Asian counterparts, for instance Niti Aayog in India. This is probably partly due to the low political buy-in at the leadership level. Moving forward, the need to understand SDGs fully and conceptually is paramount in Afghanistan. Our findings show that often implementing agencies are not aware of the agenda and what it entails. The agenda is not introduced into the secondary or higher education curriculums and that is one of the easiest ways to maximise coverage. The Ministry of Education and the Ministry of Higher Education in Afghanistan can implement a continuous nation-wide outreach program through schools and universities. In addition, there is a need to create and fund civil society and think-tank forums to engage and entertain ASDGs as a serious development agenda/framework.

The discussion paper by Partners for Review (P4R) on the whole-of-government approach notes that to sustain impetus for implementation of the 2030 Agenda for Sustainable Development, efforts need to go beyond merely creating an institutional frameworks. It calls for the creation of new dynamics for collaboration throughout policy cycles, across sectors and between levels of government (Cazarez-Grageda, 2018; 2019).

Alignment with national development agenda

To better align SDG targets and objectives, GoIRA has produced three national frameworks: *ASDGs Alignment Framework*, first it aligns ASDGs with national programmes and projects, then it proposes and describes the national structures and working groups on ASDGs. Finally, it presents mechanisms on how to bring the synergy needed between the agendas. *ASDGs Prioritization Guidelines*, is the second paper which argues that ASDGs are complex and require evidence-based and data driven modelling to identify national priorities. It proposes a three-criterion assessment tool to identify priorities: (i) level of urgency in baseline assessment and benchmarking, (ii) systematic impact (network analysis of interlinkages between ASDG targets and semi-quantitative impact assessment); and (iii) policy gap analysis. While these efforts are a start, more is needed to be done. GoIRA needs to consult expert think-tanks and development agencies at its disposal to expand the analytical backbone of discussion pertaining ASDGs.

Aligning National Priority Programs (NPPs) with ASDGs is the third paper. Afghanistan National Peace and Development Framework (ANPDF) I (2015-2020) envisioned the country's development

agenda through implementing 10 NPPs. However, there was little or no mention of SDGs in ANPDF I. The government commissioned a Rapid Integrated Assessment (RIA) task force in 2018 to compare national strategic documents (including NPPs) as well as the Self-reliance through Mutual Accountability Framework (SMAF) against ASDGs. Overall, the exercise suggested that 10 NPPs were 44% aligned with the SDGs (MoEc 2018). RIA findings however were mixed: They found that many NPPs did not have a result-framework or specific programmatic outcomes for relevant interventions as stated at the outset of each NPP. The task was made more difficult because NPPs do not specify any pathway in linking the interventions to the expected outcomes. The document provides new courses of action to align key on-budget and off-budget programmes with ASDGs. We believe these recommendations are important moving forward.

On a more promising development, MoEc has partnered with UNDP to develop the first economy-wide model for SDGs in Afghanistan. The SAM-based Computable General Equilibrium (CGE) model has been recently developed and trialled by UNDP, but it is yet to be transferred to MoEc and the Government of Afghanistan.

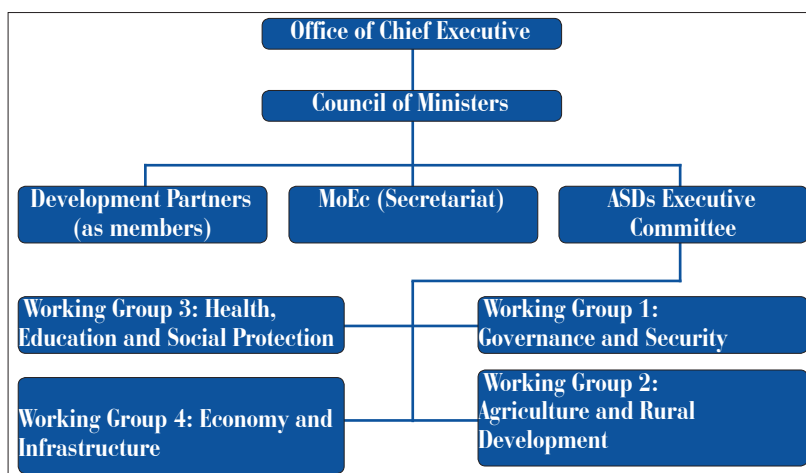
Post-Geneva 2020 pledging conference on Afghanistan, ANPDF II (2021-2024) lays out the development agenda to be achieved through the implementation of 15 NPPs. This adds another 5 NPPs to the list from ANPDF I. The NPPs here suffer similar challenges. However, ANPDF II integrates the ASDGs agenda with the objectives of the NPPs and subsequent discussions in this paper.

National structures and mechanism

Political divide at the NUG (2015-2019) leadership was one of the major obstacles in establishing a ‘whole-of-government’ approach and institutional arrangements to work toward SDGs objectives. Despite that in 2015 the Council of Ministers then housed at the Office of the Chief Executive designated the Ministry of Economy as the secretariat for ASDGs. It also established ASDGs Executive Committee high-level structure, which had oversight powers.

The high-level Executive committee created four Technical Working Groups consisting of all the line-ministries according to the nationally aligned agenda: (1) security and governance, (2) agriculture and rural development, (3) education, health and social protection; and (4) economic growth and infrastructure (it is noteworthy, these numbers varied at different times). This committee conducted 25 high-level meetings and most of the achievements so far are owed to these attempts (ASDGs, 2018). Figure 1 shows a full picture of the ASDG structure within the GoIRA.

Figure 1: ASDG structure.



Aside from the political divide, among Afghan development experts another dominant presumption was that SDGs as an alternative international development agenda is enforced on the Afghans, which means losing control of the development agenda and more administrative work. Key agencies within the Afghan government thought that adopting or implementing SDGs in Afghanistan would crowd-out the nationally developed and led ANPDF agenda. While the understanding should have been that the two agendas complement each other because SDGs are goals and not programs/projects.

However, post-2019 presidential election, the Office of Chief Executive was abolished, thus all the structures within it. Seemingly the ASDGs Committee has been moved to First VP's office, however it has not held any meetings yet or announcements on when or if it will reconvene. This institutional gap that has a convening and oversight power over line-ministries leaves the future of ASDGs implementation and tracking progress uncertain.

The immediate need in Afghanistan is to re-establish a high-level and multi-stakeholder commission to oversee the ASDGs progress and implementation, while MoEc continues to serve as the secretariat. We believe that success of almost all future efforts and endeavours on ASDGs depends on having the right institutional structure and arrangement. Without such national high-level structure, it is difficult to predict where ASDGs agenda will be heading for the next 5 years.

Costing and financing ASDGs

Lack of resources and dependency on foreign aid is an obstacle to financing short- or long-term development objectives in Afghanistan. To date, the government has not been able to achieve self-reliance on funding its national budget. Therefore, the Afghan government is far from being able to mobilize innovative or alternative sources of finance to fund ASDG objectives. Prior to sourcing finances for ASDGs, it is important to know how much they will cost. ASDGs require methodological costing which will enable the government to identify sources of finance for the implementation and the required national restructuring. In other words, developing an ASDGs financial strategy is conditioned on SDGs costing for Afghanistan.

Currently, UNDP has announced that it is working on costing ASDGs which may lead to the development of a Financial Strategy (UNDP, 2020a). This in itself is behind schedule, costing and financing should have taken place before moving to phase II (2021-2030).

Partnerships and stakeholder participation

UNDP country office as the national integrator of the SDGs agenda lacked rigor in leading until early 2019. However, UNDP country office under the new leadership has undergone major shifts. To name a few it has restructured its country portfolio that focuses on the SDG agenda. It has resumed its programs under three pillars: Peace; Prosperity; and Sustainability. Each pillar has specific programs, identifies its national partners, identifies ASDGs linkage to NPPs, ongoing or planned projects. These new developments appear promising.

UNDP organised an SDGs week in July 2019 in Afghanistan by drawing expertise (nationally and internationally) to revamp efforts

to mainstream the discussion among other stakeholders. The result of this shift in the UNDP narrative was immediately reflected in the development of ANPDF II, where it incorporates ASDGs as one of its core guiding principles (ANPDF II, 2020). The momentum exists and to maximise implementation for the next phases of the ASDGs, forums and dialogues must take place continually.

The period of the MoU between the MoEc and UNDP has ended in 2020 and pending to be extended. The SDGs support unit funded by UNDP is also expected to continue supporting the government.

Data challenges

The government commissioned an assessment of ASDG indicators for Data Availability, Accuracy and Comparability in December 2018. The assessment found that ASDG indicators do not have a metadata available which includes nationally customised definitions, the indicator framework needs to be improved by introducing 5-year target values and carrying out frequent data availability assessments. This was a comprehensive assessment, each baseline availability, accuracy level, and comparability/coherency was discussed. On the availability of baseline data for each indicator, the report found that 113 indicators (63.5%) had data available from the existing surveys to be measured, 13.5% of indicators came from administrative data and external institutions account, whereas only 41 indicators (23%) had no data. Table 2 shows an overview of the baseline availability of data on each sector. Furthermore, the accuracy assessment showed that over 60% of the indicators had “accurate” baseline data. Another 22% of the indicators were “close to accuracy” and the accuracy of the rest of the indicators (18%) could not be determined. See Data Availability

Assessment report for definitions and more details (Data Availability Assessment, 2018).

Table 2: Baseline data availability.

Sector	No of indicators with baseline data	No. of indicators without baseline data	Total number of indicators
Security	5	2	7
Education	25	16	41
Health	18	2	20
Governance	6	0	6
Infrastructure	23	7	30
Social protection	27	6	33
Agriculture and rural development	14	1	15
Economic	19	7	26
8 Sector	137	41	178

Source: ASDGs data availability assessment, MoEc.

To move forward, once the institutional arrangement is in place, undertaking such assessments must become more frequent. The data collecting agencies must prioritize areas and indicators where data is not available followed by working on indicators where data is not accurate or comparable. As most baselines come from administrative data, new questions/modules can be added to their surveys to ensure data collection for these indicators regularly. This is the least cost option, as it is expensive to carry out new surveys. However, where administrative option is not possible, new modules/sections can be added to the existing surveys such as Household Expenditure and Income Survey (formerly ALCS). Some SDG indicators are difficult to

measure directly, and methodological estimates have been used in other countries. Afghanistan can use these methods and estimate those indicators that are not directly observable.

ii. Phase II (2021-2030): implementation

The government states that 2021 marks the official kick-off in phase II (implementation) of the 2030 Agenda. In a nutshell, the vision can be summarised at two fronts, focusing on integrating and ensuring synergy between ASDGs agenda, national, local policies, and projects. Second, the extent to which development budget can be aligned with SDGs agenda. This is mainly due to earmarks and conditionalities on how and where aid grants should be spent. Lack of domestic resources and dependency of the development agenda on foreign aid limits the ability of the government on to align the two agendas fully. Like many other less developed countries, Afghanistan suffers from a proliferation of conditionalities, agendas, conventions and targets (Rahimi, 2020). With no high-level committee to bring all government agencies to coordinate their strategies with ASDGs, future developments and achievements remain uncertain.

There is a need for change in the political will and viewing ASDGs as a fundamental way forward as integral part of the country's future development agenda. So far, the evidence is to the contrary. For instance, the use of ASDGs agenda within the ANPDF II seems superficial and there is no clear linkage between the NPPs and ASDGs. The idea is to focus on accountability, transparency and integrity of the integration and implementation systems to observe the synergy that we have been discussing thus far. There is little evidence that the government leadership is moving into this direction.

Attracting Foreign Direct Investment (FDI) and private investment remains very low in Afghanistan and not a feasible financing option given the level of insecurity and political uncertainty. In addition to the Covid-19 pandemic and the peace talks, the surge in level of insecurity which consumes most of the attention and exhausts official's efforts, only adds to the problem.

As a next step, mostly procedural, the government is considering the following priorities:

- Development of ASDGs Strategic Framework 2021-2030.
- ASDGs Costing and development of the Integrated National Financing Framework and the Financing Strategy for the SDGs.
- Launching of a Dashboard for monitoring, reporting and investment mapping and financing SDGs in Afghanistan.
- Continued Integration of A-SDG goals, targets and indicators in National and Sub-National Plans, National Budgets, Programs and Projects.
- Establishing ASDGs national research centre.

III. SDGs Progress in Afghanistan

To get an overview of the status of the ASDGs in Afghanistan, we look at each goal separately below. We use sample data to support arguments rather than a comprehensive provision of data for each indicator. Such a practice may be limited if undertaken due to data shortages too.

As a summary of achievements in Afghanistan in nationalising SDGs (ASDGs), the following 9 policy documents/frameworks have been produced: (1) National indicators framework; (2) Voluntary National

Review (VNR) 2017; (3) Alignment framework; (4) Advocacy and communication strategy; (5) Rapid Integrated Assessment; (6) Alignment with NPPs; (7) Prioritisation guidelines; (8) Assessment for data availability, accuracy and comparability; and (9) Strategic vision 2021-2030.

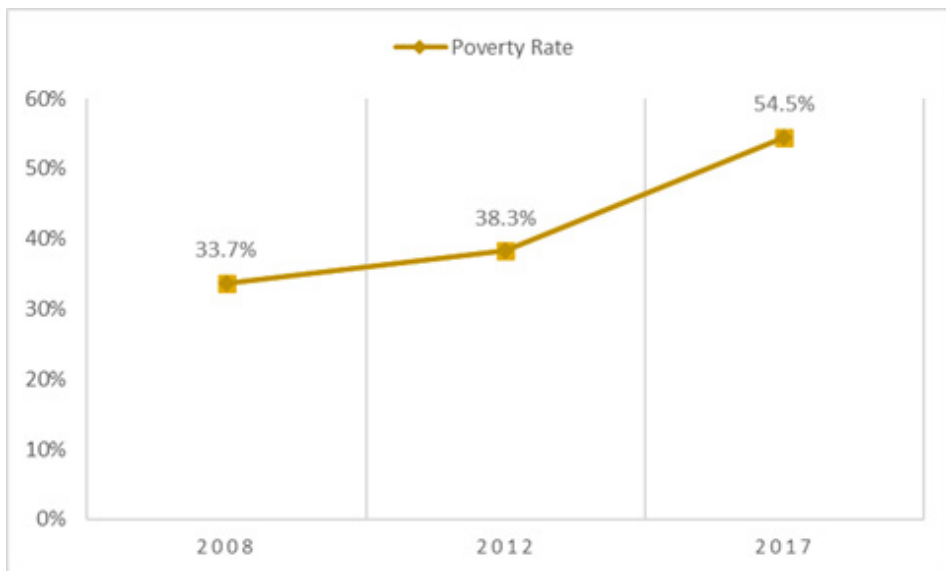
The National Statistics and Information Authority (NSIA) (formerly Central Statistics Office) is the legal entity authorised to collect and publish data in Afghanistan. It does so in two forms: by carrying out surveys and compiling administrative data from line-ministries. The exercise to compile baseline and targets was completed in 2018 and they have chosen 2016 as the baseline, however it is noteworthy that all survey data for the 2016 baselines is not necessarily collected in that year. This was a robust and methodological approach, and these endeavours resulted in the partial successful completion of Phase I in Afghanistan.

The data used in the analysis of ASDG status comes from the following surveys: (1) National Risk and Vulnerability Assessment (NRVA) 2007/08; (2) NRVA 2011/12; (3) Afghanistan Living Conditions Survey (ALCS) 2013/14; (4) ALCS 2016/17; (5) Demographic and Health Survey (DHS) 2015. Government administrative data sources used in this country report are: (1) Afghanistan Financial Management Information System (AfMIS); (2) Standard Integrated Government Tax Administration System (SIGTAS); (3) Balance of Payments Statistics; (4) Business Establishment Survey (BES) 2014; (5) National Health Accounts (NHA); and (6) Afghanistan Opium Survey among other sources. All other surveys will be referenced and cited accordingly. For survey sampling and methodologies, see NSIA Afghanistan technical support documents.

ASDG 1: No poverty

Afghanistan has not performed well with regards to achieving ASDG 1. Poverty rates have increased and remain a major development challenge. Figure 1 shows latest poverty figures in Afghanistan which has increased between 2008-2017. Between 2011-12 and 2016-17, the national poverty rate increased from 38.3 to 54.5 percent. In 2017, statistics show that 15.07 million people lived below the poverty line, the situation is worse in rural areas (58.7%) compared to cities (41.6%) (SDG 1.2.1) (ALCS, 2017). This is despite sustained average economic growth rates of over 9% between 2003-2014 and over 2% between 2014-2020 (Biruni, 2020).

Figure 2: Poverty rates in Afghanistan (2008-2017).



Source: ALCS

The effects of Covid-19 on poverty in Afghanistan has been drastic. Poverty rates (54.5% in 2017) are projected to increase to 72% (World Bank) or 80% by the end of 2020 in a more realistic projection by the Institute (Biruni 2020), while some suggest 70% (Schafer, 2020; Cancho and Pradhan, 2020).

There are no empirical studies that disentangle the inverse relationship between the achieved economic growth rates and increasing poverty rates in the country. We suspect reasons of the exponential rise in poverty between 2012 and 2017 were the political and security transition that took place between 2012-2014. The presidential election was chaotic, bitter and uncertain. This disrupted economic activities in the country for almost the entirety of 2013, revenue collection fell during this year and the state was near collapse with its basic core functions.

This was taking place at the backdrop of international security troops withdrawal from Afghanistan. This added to the uncertainty and the contracted economic value chain that had been created over the years since 2001 shrank to negligible figures. The political and security uncertainty was detrimental to macroeconomic stability (Joya, 2018). Other factors such as droughts, natural disasters, resilience to foreign aid and high level of insecurity are other reasons why poverty rates may have increased. Biruni Institute is currently working on an empirical research on “Understanding the Drivers of Poverty in Afghanistan” (Biruni, forthcoming).

ASDG 2: Zero hunger

While the goal focuses on ending hunger, ensuring access to food (particularly to the poor) and ending malnutrition, Afghanistan is severely under-performing. The World Health Organisation recommends a consumption of an estimated range from 1,600 to 2,400 calories per day for adult women and 2,000 to 3,000 calories per day (SDG 2.2.2) for adult men (WHO, 2020). Currently, in Afghanistan 44.6% of the population consumes less than 2100 calories per day (ALCS, 2016/17).

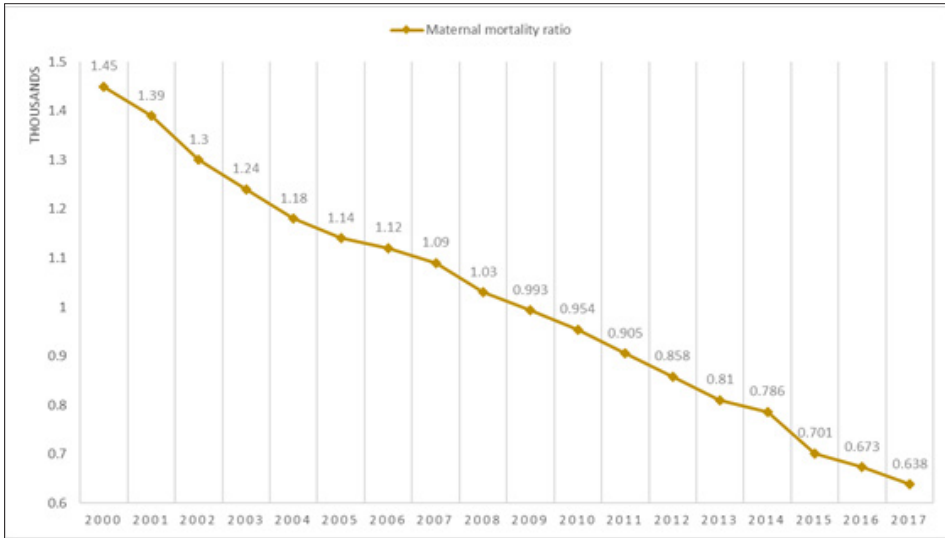
Furthermore, surveys show that nutrition protection covers 13% of the population, that is 3.5 million people only and over 30% of the people consume less than 50 grams of protein per day (SDG 2.1.1). The average recommended amount is 0.8 grams per kg of body weight, for a sedentary man that is 56 grams per day and 46 grams for a woman.

ASDG 3: Good health and well-being

Afghanistan has made significant progress with regards to improving access to health services across the geographical divide. The Afghanistan Demographic and Health Survey (ADHS) in 2015 shows that maternal mortality rate is 1,291 deaths per 100,000 births. Despite that, other estimates show even lower rates (SDG 3.1.1). For instance, Figure 2 shows that maternal mortality ratio declined significantly between 2000-2017.

Access to basic health services has increased significantly. Surveys show over 83% of the population lives less than two hours distance from a health clinic (ALCS, 2016/17). The figure is 100% in cities and 84.4% in rural areas (SDG 3.8.2).

Figure 3: Maternal mortality ratio.



Source: WHO 2019.

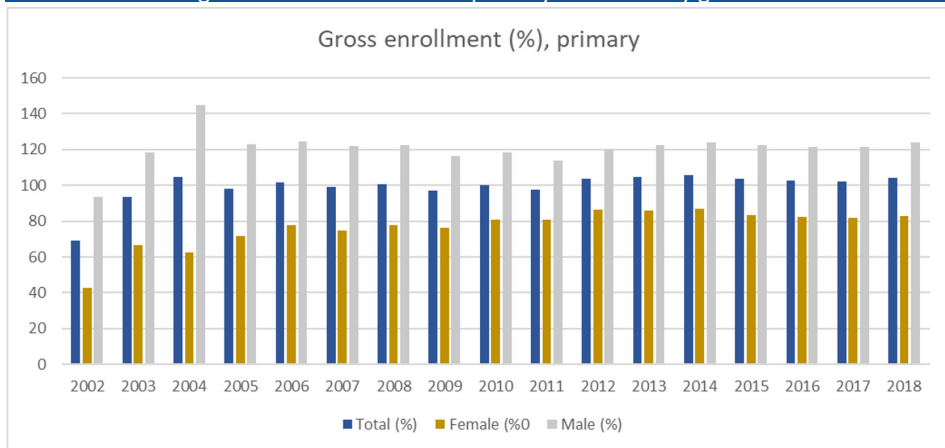
ASDG 4: Quality education

We must assess Afghanistan’s achievements with regards to education from two different aspects. First in terms of quantity and numbers, Afghanistan has made unparalleled achievements. Enrolment rates by gender, ethnicity, location and education levels (primary, secondary, tertiary, higher education) have been great. The Afghanistan Living Conditions Survey (ALCS) 2016/17 revealed that youth and adult literacy rates were found to be 34.8% and 53.6% (SDG 4.6.2), youth participation in formal and non-formal trainings stood at 28.5% (SDG 4.3.1). Whilst it may seem lower than that of the region, in a within-country comparison, these are significant achievements.

For instance, enrolment in Afghanistan has increased from 700,000 students in 2001 to 6.4 million children in 2017 (SDG 4.1.3). The

increasing trend is true for male and female. Total female enrolment numbers are lower than male. Female primary school enrolment increased from 2.5 million in 2002 to 3.8 million students in 2017. Similar trends are observed whether you investigate gross enrolment ratios or total enrolment by gender, class, or province in Afghanistan.

Figure 4: Total enrolment in primary education by gender.



Source: EMIS/ World Bank 2018.

Second, assessing the quality of education and literacy in Afghanistan. There is no third-party education watch to provide a qualitative assessment of the achievements claimed by the official statistics. Opponents argue quality has been sacrificed in pursuit of achieving higher quantities, at least, in the number of higher education graduates (MEC, 2017). There is a need for assessment of the qualitative dimensions of educational achievements in Afghanistan.

ASDG 5: Gender equality

Afghanistan has come a long way since 2001. Currently, over 20% of the civil servants are women in the government including ministers and supreme court judges. Over 28% of seats in the parliament

are filled with women MPs (SDG 5.5.1). Female inclusion has taken place at every level of government hierarchy, from ambassadors to governors, mayors and high-ranking positions even at the military and police force. These are unforeseen events in the history of the country. At local governance level, over 20% of the provincial councils are women (ASDGs, 2018).

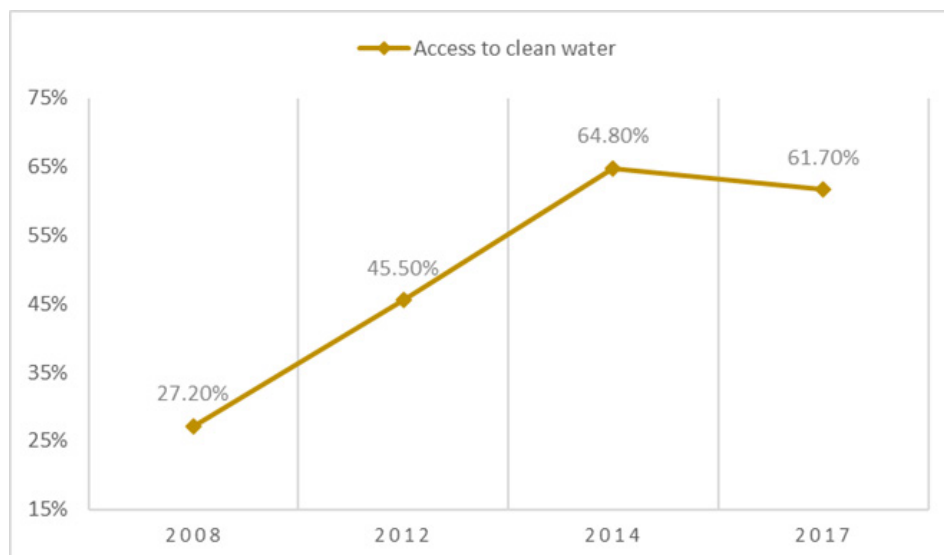
Over five legal frameworks including the Civil Code 1977, Section 70, have been developed in Afghanistan to eliminate discrimination and promote equality (ASDG 5.1.1) (MoWA, 2016). Proportion of women who were married before the age of 15 (4.2%) and before the age of 18 (28.3%) has improved (SDG 5.3.1) but some percentages still do not comply with the minimum age stated in the Civil Code.

Women play a leading role in education and health sectors too. However, this does not mean more work is not needed. While longitudinal achievements are great in Afghanistan, when compared to other South Asian countries more work needs to be done.

ASDG 6: Clean water and sanitation

Access to clean water has exponentially increased between 2007-2014, but the data from the most recent survey shows a slight decrease (SDG 6.1.1). Urban access to clear water is 63%, decomposed to 53% in urban and 89% in rural areas. See Figure 5 for the trends. Survey data shows that over 41% of the people in the city has access to well managed sewage-services, compared to 38.8% in rural areas (SDG 6.2.1 and SDG 6.2.2).

Figure 5: Access to clean water.



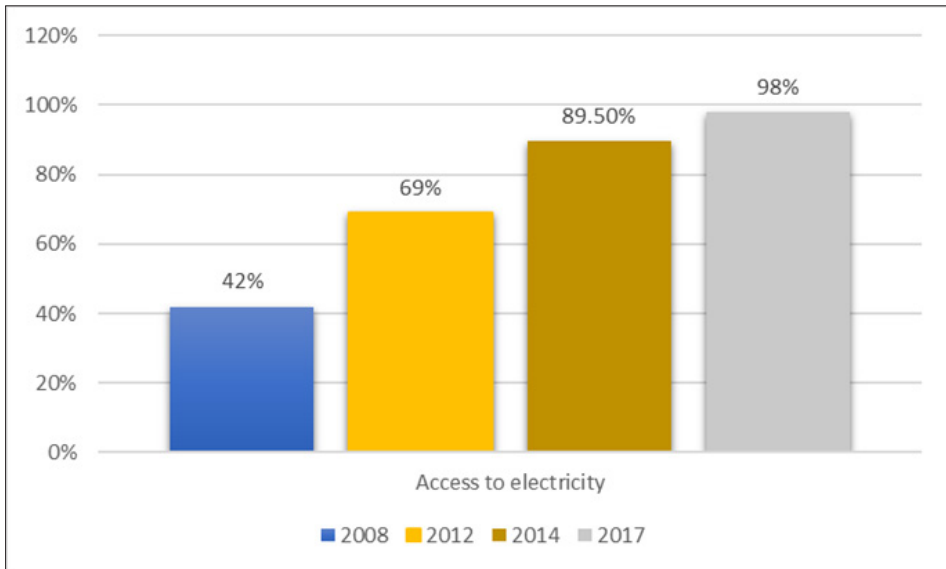
Source: ASDGs National Indicators Framework, MoEc.

ASDG 7: Clean Energy

Afghanistan has made significant progress in access to electricity. The ALCS survey shows that there has been rapid coverage in delivering electricity to the population (SDG 7.1). Figure 6 below shows those changes between 2008 and 2017. On the other hand, energy expenditure data shows that 98% of the electricity is used for lighting, 25% for cooking and 4% for heating.

On the sources of electricity, over 30% comes from the national electricity networks which is either hydro powered or imported from neighbouring countries, of which over 90% is concentrated in cities. Access to solar energy is 60%, which is the second highest source of energy in Afghanistan. The composition of this is 16% in cities and 73% in rural areas (SDG 7.2.1).

Figure 6: Access to energy (2008-2017).



Source: NSIA

ASDG 8: Decent work and economic growth

Afghanistan's achievement on this goal is mixed. As mentioned before, average economic growth rate in Afghanistan between 2003 and 2014 was over 9.6%, whereas post-transition period the average has fallen to an average of 2% (SDG 8.1.) (ALCS, 2016/17; Biruni, 2020). This is lower than the average growth rate for the population. ALCS 2016/17 shows that 54.6% (16 million) of the population is defined as aged 14 and above. Out of these, over 50% (8.5 million) are in the labour force who are either employed or unemployed. Unemployment rate in 2017 stood at 24% which is the latest official figure (SDG 8.5.2).

The gender disparity is significant in the labour market indicators: only 26.8% of women are in the labour force or participate in labour markets.

ASDG 9: Industry, innovation and infrastructure

Approximately over 43% of the population owns a mobile phone (SDG 5.b.1), with over 89% of the population covered by mobile network coverage (SDG 9.c.1). This has allowed internet connectivity and leapfrogging into the modern world. The speed at which news travels in Afghanistan has changed exponentially compared to two decades ago. Social media has become a powerful tool in directing public opinion and forcing politicians to bend their decisions.

On the trade front, Afghanistan export items include grapes, resins, gold, and tropical fruits that are mostly sent to Pakistan, India, UAE, China and the US. Figure 7 shows latest trade statistics. There remains untapped potentials that Afghanistan could have benefited from in order to perform better against this goal. Those include extractive industries including oil and gas. Largely due to high costs involved, the country has not managed to attract FDI or investors. These costs include security, corruption and lack of adequate infrastructure.

Figure 7: Trade in Afghanistan (million USD).



Source: AfMIS, MoF.

ASDG 10: Reduced inequalities

All indicators point out that there remain big gaps and disparities in achievements made so far in Afghanistan across all dimensions of inequality. While access to drinking water, sanitation, health, education and other basic services have increased, the difference between rural-urban, rich-poor, male-female continue to widened. Gini coefficient in Afghanistan has risen from 0.29 in 2008 to 0.31 in 2017, indicating that overall inequality has increased.

Labour force participation by gender shows the extent of the disparity, male participation rate is 74%, whereas female participation is only at 24% (SDG 10.4.1). Afghanistan still has a very high number of displaced families (SDG 10.7.3) and a high number of returnees who receive humanitarian assistance (SDG 10.7.2).

ASDG 11: Sustainable cities and communities

The current composition of the population living in rural areas vs cities in Afghanistan is unsustainable and has led to catastrophic environmental hazards. Latest ALCS 2016/17 data shows that around 8 million people live in cities, of which over 70% of them live in slums, in informal settlements or have inadequate housing (SDG 11.1.1). Kabul remains the most populous city in Afghanistan with an estimated population of over 5.2 million (NSIA, 2019). In addition, access to public transportation remains one of the lowest in the region, less than 0.4% of the population has access (SDG 11.2.1).

In other dimensions of human development and sustainability such as protecting heritage sites, reducing negative impact on the environment and increasing access to green space, figures do not exist (SDG 11.6.2). However, if we take air quality, its ranked

“very unhealthy” which measure airborne fine particulate matters (commonly known as PM 2.5 (108); PM10 (102); NO2 (15); and O3 (120)), giving an overall Air Quality Index (AQI) of 120 in Kabul (IQAIR, 2021).

ASDG 12: Responsible consumption and production

This goal calls for sustainable consumption in all dimensions of life and the economy, including public sector consumption to private sector and household level activities, raising awareness about sustainability and its importance. Little research and development fund is allocated for this purpose (SDG 12.a.1).

The total GDP of Afghanistan is around 20 billion USD, with a composition of only 23% industry and 21% agriculture, whereas over 50% comes from services sector. Estimates show that city dwellers produce 350-400 grams of waste per day, totalling 6,300 tonnes of waste for the entire country. Monthly expenditure on waste management amounts to 55 million AFN in Afghanistan. This is not sustainable management of expenditure given the size-to-ratio comparisons.

Promoting sustainable behaviour, preventing or reducing wastage and promoting recycling are key in achieving SDG 12. To induce behavioural shifts and promote sustainable consumption within the public sector practices, authorities can pass new rules and regulations. Within households, education and raising awareness are key in inducing those behavioural shifts.

While some may argue that Afghanistan’s economy is not an industrial one and the debate on sustainability is redundant. There is some merit to that, but it is important to embark upon a sustainable path to avoid major disasters in the near future.

ASDG 13: Climate action

Climate change is a global concern and being a less developed country (LDC) and without an industrial economic-base means Afghanistan is a victim rather than a contributor. However, lack of sustainable practices and poor-urban planning has made living in most populous cities like Kabul very problematic. Low quality burning fuel, burning sub-standard material and plastic to keep warm during the winter, lack of proper canalisation, lack of proper public transportation system and overuse of private cars all led to deadly air pollution. The problem is topped with lack of funding and institutional arrangements to address it. Strategies and plans currently in place are insufficient to meet the targets assumed for this objective.

In addition to that, the Afghan Analyst Network (AAN) report published in 2021 shows that almost 14% of the total area of glaciers was lost between 1990 and 2015 in Afghanistan, which is a direct impact of climate change (Bjelica, 2021). Officials at the Natural Disaster Management Authority argue that in addition, there were factors such as destruction of forests, and green belts. Loss of glaciers has a long-term negative impact such as loss of biodiversity, shortage of water, and increases the probability of rock-laden and floods.

There are signs of these events happening more frequently than before, recent mudslides in Badakhshan and floods in Parwan attest to these claims.

ASDG 15: Life on land

Afghanistan hosts diverse forms of life and is home to globally significant species such as Marco Polo sheep (*Ovis ammon polii*) and snow leopards (*Uncia uncia*). Threats to biodiversity in Afghanistan come from turning land into housing, agriculture, illegal hunting, deforestation and over-grazing. Biodiversity was termed as “wealth of the poor” (World Resources Institute, 2005) because their livelihood depend mostly on land. For the poor, production of crops, grazing, fuel, and building material all extracted from the land they own and is the most important source of wealth for them which cannot be measured strictly in monetary terms. Rich and biodiverse land means better ecosystem services including soil fertility, erosion control, crop pollination, and climatic stability. Loss of ecosystems is arguably one of the fundamental factors behind the ultimate collapse of societies in the long run. Afghanistan probably has one of the lowest forest areas as the proportion of total land (2.8%) (SDG 15.1.1).

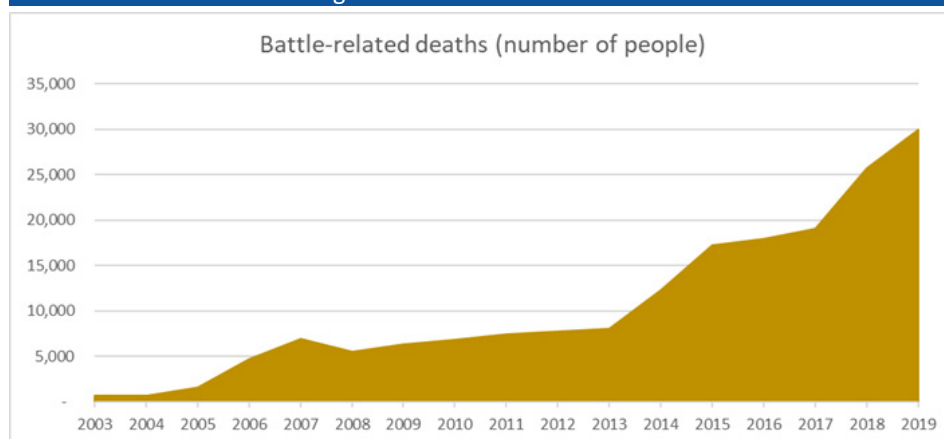
To meet the objectives of this goal, Afghanistan needs better funding and institutional arrangements. This would help understand the ecosystems and motivate research in this area.

ASDG 16: Peace, justice and strong institutions

This is a pre-requisite for other SDGs to be implemented. Afghanistan has experienced continuous fighting, conflict and widespread violence for several decades now. The surge in violence since 2007 has left many dazzled whether it is going to end any time soon. In the aftermath of the US-Taliban peace deal (State Department, 2020), which enabled the start of intra-Afghan peace talks, scepticism runs high as the peace talks move sluggishly.

In the midst of that, Afghanistan has witnessed a surge in violence especially with an average of one explosion per day in Kabul in recent months (Constable and Hassan, 2021). Over the last decade Afghanistan has experienced one of the highest numbers in civilian casualties and internally displaced persons (IDP). Figure 8 shows the number of battle-related deaths in Afghanistan since 2003 (SDG 16.3.1).

Figure 8: Battle-related deaths.



Source: Upsala Conflict Data Program (UCDP).

ASDG 16: Partnership for the goals

Afghanistan has joined the 2030 Agenda in 2015 and is committed to implementing it phase-wise. We have detailed the implementation phase steps taken so far in Afghanistan and what the next steps involve. The goal further asks WTO members to greater cooperation and integration by promoting greater economic openness in joint investments and trade facilitations. The goal supports other SDG goals.

IV. The Role of Regional Cooperation in Achieving SDGs

i. Regional SDGs

We discuss ASDG priority areas that require regional cooperation from an Afghan perspective. Several objectives and targets are inter-regional or even global and without regional mechanisms and instruments, it is difficult to address them. This is one of the key selling points about SDGs in the first place, as it encompasses a comprehensive agenda for development. Those objectives include:

ASDG 2: End hunger, achieve food security, improved nutrition and promote sustainable agriculture.

Despite good economic growth rates with an average of 9.6% (2003-2012) and 2% (2012-2020) (Biruni, 2020), Afghanistan continues to experience staggering levels of poverty and food insecurity. Food insecurity was at 44.5% in 2017 (ALCS, 2016/17). Domestic production of wheat, rice and other grain products is not near self-sufficiency. For instance, for a country where over 45% of its labour force works in the agriculture sector (Household Income, Expenditure and Labour Force Survey, forthcoming), wheat remains one of the top 5 most imported items (AfMIS, 2018).

Grain and cereal production methods in Afghanistan are still primitive and heavily impacted by seasonal changes. Rain patterns, amount of natural water reserves and that of snowfall determine the fluctuations in the agriculture sector. This makes the sector very unpredictable. Therefore, Afghanistan remains dependent on importing its food necessity items from the region. Estimates show that South Asian countries have a food-surplus (Pant, 2014). Hence

in order to ensure achieve SDG 2, Afghanistan needs to join and develop regional partnerships. Regional cooperation and improved trade facilitation mechanisms enhance possibilities for sharing risks related to food insecurity. Furthermore, operationalising SAARC Food Bank can mitigate this problem during emergencies such as the current pandemic (UNESCAP SSWA, 20018).

ASDG 3: Ensure healthy lives and promote well-being for all at all ages.

Afghanistan can learn from the regional experience to achieve target 3.3, which stresses on ending communicable diseases and epidemics. Regional cooperation on health-related issues minimise risks of cross-border epidemics and sharing knowledge on how to deal with them (including vaccines and medicines) can increase potentials to achieve Target 3.b. The ultimate idea is to enable the public health sector to cope better against diseases and protect the citizens. For instance, Afghanistan has benefited greatly from the ease in medical tourism to India which has witnessed a surge in the last couple of years. This is mutually beneficial as medical tourism in India has expanded too. This is a direct impact of better regional relationship.

ASDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Afghanistan started joining regional mechanisms to access technical vocational trainings (Target 4.3) and scholarships (Target 4.b) since 2003. This has greatly benefited human development and capacity building. For instance, an average of 3,000 Afghan students have benefited from the second phase of Allama Muhammad

Iqbal Scholarships from Pakistani government's Prime Minister Scholarship Scheme (PMSS), which is implemented continuously (HEC, 2020). The Indian Council for Cultural Relations (ICCR) offers an average of 1,000 scholarships per year so Afghan students can pursue undergraduate, masters, or doctorate studies in different cities in India (ICCR, 2020). These are key in promoting lifelong learning opportunities for all that cannot be achieved without regional cooperation.

ASDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

Afghanistan has one of the lowest electricity usages globally, around 100 kWh per year per person. We only produces 25% of our energy consumption domestically and the rest is imported (ADB, 2019). While it is important to increase domestic production capacities, regional trade remains the key source for Afghanistan to secure the rest of its energy needs.

ASDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

ASDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

On both ASDGs 8 and 9, there is a consensus in economics that promoting, facilitating and liberalising trade with the region and the rest of the world positively affects economic growth (USAID, 2016). Afghanistan needs to work with its neighbours and countries in the region to access sustainable industrial technologies, promote innovations and be able to build resilient infrastructure. As a less

developed economy, Afghanistan benefits the most from the spill over effects on these dimensions.

Policies to liberalise and facilitate Afghan labour force to access South Asian markets and beyond is another key policy to benefit from further cooperation and integration in the region. An example of this includes agreements between Afghanistan-UAE or Afghanistan-Saudi Arabia, via which Afghan workers can access labour markets in these countries and obtain visas (Omid, 2018).

ASDG 13: Take urgent action to combat climate change and its impacts.

Climate change and factors that deteriorate it are all interdependent and require cooperation beyond one single country. For example, sharing information on weather patterns between countries in the region helps scientists to better understand and track climate change. In turn, this will allow development of early warning and forecasting systems that will enable the region to respond to climate emergencies better. If there is only one area that requires regional and para-regional cooperation, its combating climate change.

ii. Regional instruments

Trade & transit

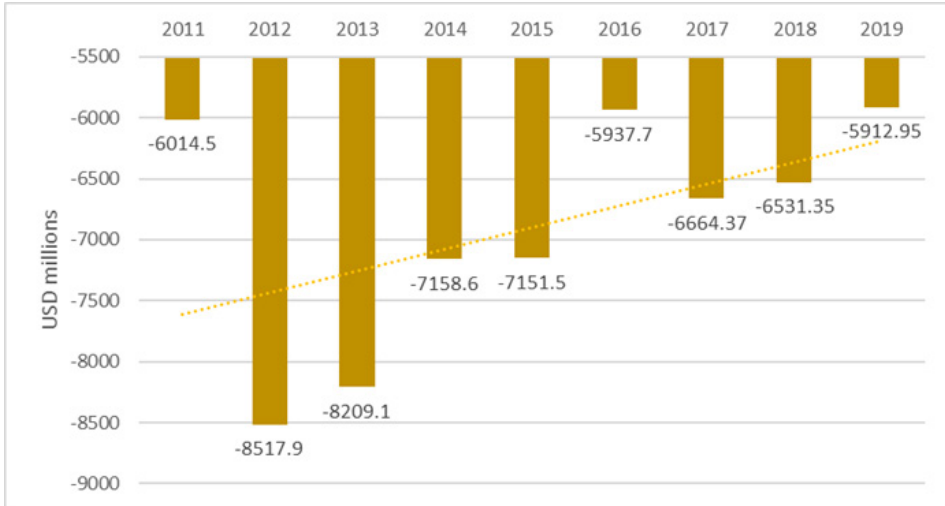
International evidence shows that regional trade, greater openness, and more engagement boosts economic activities and positively affects development. Example countries include North Macedonia, Indonesia, Bosnia and Herzegovina among others (World Bank, 2018). Major global policy outlooks point into the same direction and a 2019 US Trade Policy Agenda reiterates that international

trade has the potential to play a major role in promotion of economic growth and alleviation of poverty (USTR, 2019). Trading with the region increases efficiency through competition and incentives to capture markets by allows firms in the less developed economies to leapfrog by accessing updated technology from the more developed economies. In a nutshell, consistent evidence exists that trade reforms and engaging in trade have a positive impact on economic growth, raising living standards and achieving prosperity (USAID, 2016). Trade liberalisation and removing distortionary restrictions enhance achieving some of the regional SDG objectives.

In this spirit, ANPDF II places a lot of focus on trade and transit as a long-term comparative advantage for Afghanistan with a vision of turning it into a trading roundabout in the region. Moving from aid to trade and transit will ensure medium- and long-term sustainability in the country, and it is only achieved through expansion of bilateral, regional, global cooperation and partnerships. By joining WTO, SAARC, CAREC, ECO, and other trade agreements with neighbouring countries, Afghanistan has already embarked into this venture. More needs to take place to tap the full trade potential in the region. Afghanistan has the potential to connect South Asian and Central Asian markets by providing a land bridge.

There has been a trade deficit over the last decade in Afghanistan, and 2019 is the lowest of them. Figure 9 shows data on these trends since 2012.

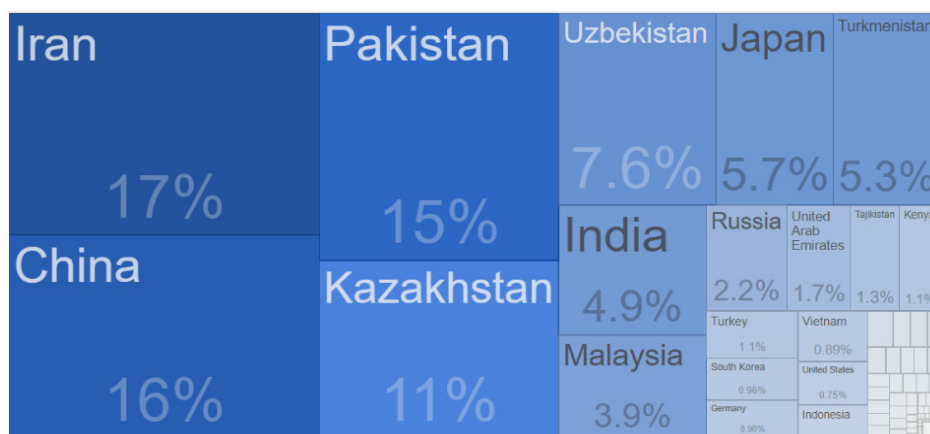
Figure 9: Trade deficit in Afghanistan.



Source: NSIA, 2019

Afghanistan’s biggest trading partners are in the region, which makes those bilateral and regional platforms to improve economic cooperation all the more important. Figure 10 shows percentage of Afghanistan imports from each country in 2018. South and Central Asian markets constitute over 60% of the total volume of imports for the country. Therefore, trade and transit remain the backbone of the country’s future sustainable development.

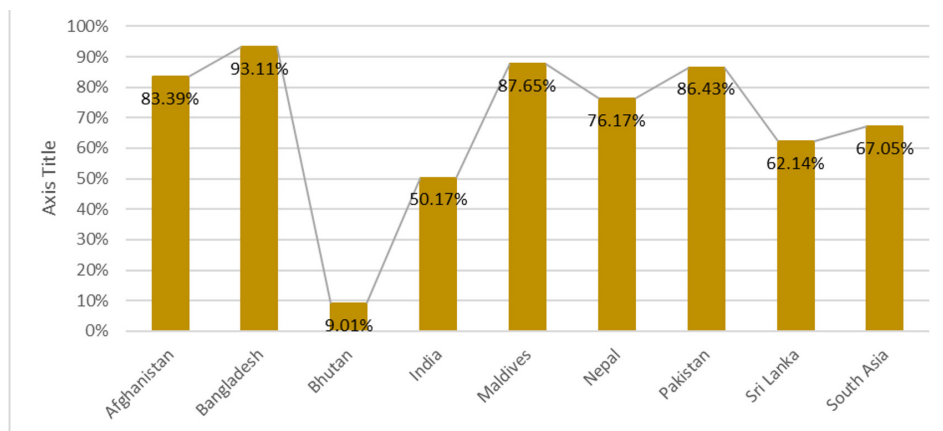
Figure 10: Afghanistan importing partners.



Source: OCE-MIT, 2018.

On the other dimensions of the issue, the cost non-cooperation in the region is also very high, especially for Afghanistan. Failure to fully operationalise bilateral and regional mechanisms due to political and other grievances, delays or even prevents achieving essential SDG targets such as food security or inclusive growth. UNESCAP GTAP estimates show that Afghanistan fails to exploit around 83.39% of the potential trade with its South Asian partners (UNESCAP, 2018). Figure 11 shows these percentages for all South Asian countries calculated using the data from 2014. Although a little outdated but the situation on trade has not changed drastically since then, therefore these figures remain as relevant.

Figure 11: Unexploited potential trade in South Asia.



Source: UNESCAP, 2018.

A critical review of the barriers to trade and transit between Afghanistan and South Asia region reveals that non-tariff barriers act as major inhibitors. Afghanistan follows a fairly low and uniform tariff regime against importing partners, as it heavily relies on imports. The simple average tariff schedule in Afghanistan is 8.38% and the weighted trade tariff is 5.63% (WITS, 2020).

Non-tariff barriers include lack of soft and hard infrastructure that facilitates trade, for example, Afghanistan does not have a trade agreement with Pakistan, with whom the trade reaches up to 15% of the total imports. Trust deficit between the two countries is the most important factor. In addition, inefficient border procedures as well as high transportation and logistics costs create further barriers. The Afghanistan-Pakistan Transit Trade Agreement (APTTA) is due to expire in 2020 and it is currently being revised. This brings some optimism into the future of transit trade between the two countries. Pakistan remains the door and very important player for Afghanistan's ability to trade with the rest of South Asia.

Therefore, to move forward, Afghanistan must take actual steps toward developing bilateral and regional cooperation, harmonising its customs procedures, and focus on trade instead of focusing on politics. To further strengthen regional trade and remove the invisible walls that costs the public, which in turn prevent achieving SDG objectives.

Foreign direct investment (FDI)

Afghanistan has been a special case. As an Official Development Assistance (ODA) recipient since 2001, the country has received an average of over \$5bn per year. However, this has declined over the last 5 years and the latest Geneva 2020 aid conference on Afghanistan witnessed the lowest pledge yet (\$3.6bn per year). Given these new developments, the need to attract more FDI to fill the gap created due to the decline in ODA has become paramount.

If the gap is not filled, this has the potential to derail Afghanistan's development course as well as achieving SDG targets. Attracting FDI from South Asia and Central Asia can fill this gap. Regional market cooperation is best suited to attract this kind of FDI, as regional firms have more information and knowledge about the region, and it costs less for them to invest due to lower transportation and security costs. This is in comparison to attracting FDI from beyond the region and globally.

Table 3 shows current FDI levels are very low using latest data available from UNCTAD on Afghanistan. The challenges include security, corruption, lengthy, and not very transparent legal dispute mechanisms. Although Afghanistan is committed to improving Doing Business Indicators (DBI), currently ranked 167 out of 190

(2019). The country jumped from 183 to 167, which was a great leap forward (DBI, 2019). In addition, the peace process provides yet another opportunity to drastically reduce violence and conflict. All acts as enabling factors for better business environment, that may lead to higher FDI levels thus contributing to achieving SDGs agenda.

Current FDI levels must increase and there are several other potentials to be optimistic about. These include low level of competition in the Afghan markets which creates opportunities for higher mark-up. Afghanistan has a strategic central location to provide the land-bridge between Central and South Asian markets. Afghanistan has a very young labour force, with 70% of the population below the age of 25; hence it provides a reasonable labour market. In addition, the country's mines and extractive industry remain untapped including oil and gas.

Table 3: FDI in Afghanistan.

FDI	2017	2018	2019
(Inflows (million USD)	53	119	39
(Stock (million USD)	1,448	1,557	1,595

Source: UNCTAD 2019

There are mechanisms to create further efficiency and impact by linking FDI (via MNCs) to SMEs within the country to ensure SDGs implementation and achievement are aligned well with the purpose of the investments. Otherwise, FDI has the potential not to be very poor-, gender- and development-sensitive. Alternatively, promoting strong social corporate responsibility with MNCs who come to Afghanistan would also achieve the same goal. To compliment and further

strengthen the SDG agenda, UNCTAD proposes creating investment development agencies to ensure that investments (including FDI) and project-level linkage to SDG objectives do happen (UNCTAD, 2014).

Technology leapfrogging

Compared to other South/Central Asian economies, Afghanistan is considered as the latest arrival to embark on the development path. Despite that, significant achievements have been made so far and there is more to do. Catching up with the technological progress that has removed the distance between the old world and the new, has been impressive in Afghanistan. Transition to adopt mobile phones, connect to fibre optics and internet are exemplary achievements. However, the use of innovative machinery and method to steer the economy toward industrialisation has been slower and often challenging.

The SDG agenda has several areas for collaboration, learning from local/regional experiences and building new capacities to leapfrog to the top of the technological revolution. Afghanistan has benefited and we believe the spill over effects will be key in the future as well. Another key area of focus could be moving the economy toward better production skills and providing the right type of education to the labour force. Regional experiences are invaluable for Afghanistan in this regard.

Institutional cooperation

The dominant belief in Afghanistan has been that regional cooperation is a key element if the development agenda for the country is going to succeed. With this view since 2001, Afghanistan

has embarked on joining almost all of the regional institutional mechanisms and hubs to speed up the process of cooperation at all levels (including trade, knowledge, IT etc.). The government has played an active role in creating new mechanisms such as the Kabul Process for Peace and Security Cooperation to strengthen regional cooperation.

Attempts have not been only at the official (Track I) level but extends to other non-official platforms such as Track 1.5 and Track 2. These include business to business, think tank to think tank and leading dialogues to smoothen the process of cooperation in the region. Examples include Biruni Institute's membership in the South Asia Network on the SDGs (SANS), creation of joint chambers of commerce in the region and other para-government forums. All these attempts bring regional cooperation and help better align and implement SDGs targets.

V. Concluding remarks/recommendations

Following the analysis in this paper thus far, we believe the following strategic suggestions will support the government agencies and their partners, e.g. UN, to embark on a course correction or renewed commitment during the implementation phase II (2021-2030).

Recommendation 1: Afghanistan needs strong political buy-in to achieve the 2030 Agenda.

The SDGs aim to function as the blueprint to achieve a better and more sustainable future for all. This global blueprint in Afghanistan, however, does not enjoy the needed political support. Achieving the 2030 Agenda requires a “whole-of-government” and “whole-

of-society” approach that involve government agencies working together to create synergies, manage trade-offs and avoid or minimize negative spill-overs, in line with the “indivisible economic, social and environmental pillars” of the 2030 Agenda.

Recommendation 2: Reinstall the high-level institutional arrangement.

Achieving ASDGs requires political, technical and financial support. It is proposed that the Committee for the ASDGs must be reinstalled and meetings resumed. One such institution under the current government for hosting the Committee could be the Office of the First Vice President.

Similarly, the Ministry of Economy (MoEc) is required to evaluate and adjust the terms of reference (ToRs) of the ASDGs Committee to make it more inclusive and also review the ToRs for the existing four working groups. The current organizational structure (Taskheel) at the MoEc is not adequate to function as the ASDG secretariat. There is a need that the institutional structure at MoEc is adjusted in close collaboration with the country’s Independent Administration Reform and Civil Services Commission.

Recommendation 3: Start focusing on policy-budget connect & implementation.

Afghanistan must start the ASDG planning, budgeting and implementation process within the government agencies with proper progress reporting to the MoEc, as the secretariat. While the costing and development of a financing strategy is underway, the proposed SDG Executive Committee under the First Vice President’s

Office should task the Ministry of Finance to start a budget alignment process against the ASDG targets and indicators in the national budgeting process.

Recommendation 4: Address the data challenge.

The National Statistics and Information Authority (NSIA) of Afghanistan may cooperate with the relevant departments in determining the baselines for setting the remaining ASDG indicators and further enriching the existing data. NSIA may also design future national surveys in a manner that is SDG-compliant/sensitive.

Recommendation 5: Renewed and stronger partnerships including scaling up regional cooperation.

Referring to the development of country's recently approved ANPDF-II that successfully integrated SDGs into the development planning at the strategic and NPP level, and endorsed by Afghanistan's development partners at the Geneva 2020 conference, the Ministry of Finance in collaboration with the donor partners should make efforts to build up on the momentum created during the Geneva process and start attracting financial resources to fund the ASDGs.

Recommendation 6: Prepare for the next Voluntary National Report (VNR).

Afghanistan submitted its first Voluntary National Review (VNR) in 2017. The 2030 Agenda for Sustainable Development encourages member states to “conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven”. To this end, Afghanistan must start preparing for

the second VNR and make the process more inclusive ensuring participation of the private sector, academia, civil society and community organizations.

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Impact of Covid-19 on SDGs in Afghanistan

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Abbreviations

AEO	Afghanistan Economic Outlook
A-GTAP	Afghanistan Global Trade Analysis Project
ALCS	Afghanistan Living Condition Survey
ANPDF	Afghanistan National Peace and Development Framework
ASDGs	Afghanistan Sustainable Development Goals
CAREC	Central Asia Regional Economic Cooperation Program
FDI	Foreign Direct Investment
GoIRA	Government of Islamic Republic of Afghanistan
IDP	Internally Displaced Persons
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
IRC	International Rescue Committee
MNCs	Multinational Corporations
MoEc	Ministry of Economy
MoF	Ministry of Finance
MoPH	Ministry of Public Health
NPP	National Priority Program
NSIA	National Statistics and Information Authority
NUG	National Unity Government
RIA	Rapid Integrated Assessment
SAARC	South Asian Association for Regional Cooperation
SDGs	Sustainable Development Goals
SMEs	Small-Medium-sized Enterprise
UNDP	United Nations Development Program
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
VNR	Voluntary National Report
WHO	World Health Organisation

Impact of Covid-19 on SDGs in Afghanistan^[1]

Abstract

This article provides an overview of how the Covid-19 shock may have spread and impacted key socio-economic indicators in Afghanistan. In doing so, the paper finds that there are two schools of thought with regards to the mechanisms that the pandemic related shocks may have affected households and thus total output in Afghanistan. The first school argues that the contextual and existing resilience mechanisms prevalent among the poverty-struck daily labourers provide the necessary tools to smooth consumption. However, the second school of thought argues that having a large informal sector and daily labourers with no employment insurance, and little savings make the Covid-19 impacts all the worse. The social disruptions, lockdowns, and the panic may have led to the loss of income for a large number of households, leading to an even bigger contraction

1. The authors thank Dr Omar Joya for his feedback. The usual disclaimer applies.

and exposing them to long-term health risks. The paper further elucidates Afghanistan's and South Asia's regional response to the pandemic, arguing that the shock has exposed existing Faultline's as governments and policies became inward-looking and domestic oriented. Both findings have implications for the policymakers, in the case of the spread of the shock mechanism, more data and market studies are needed to determine what made communities resilient or otherwise in Afghanistan.

JEL Code(s): Q01, O19, O53, F55

Keywords: Sustainable Development Goals (SDGs), Regional Cooperation, South Asia, Afghanistan, Growth, Human Development

I. Background

Afghanistan recorded its first Covid-19 case in February 2020 in Herat city. The government was alerted about the pandemic as early as January 2020, all entry points were being watched. With the limited resources and high number of returnees, especially from Iran, the virus quickly spread across northern provinces within the space of a month. In March 2020, the government closed schools and initial restrictions on movements were introduced. As of now based on statistics from WHO, there are 57,364 confirmed cases, 2,529 confirmed deaths (WHO, 2021).

The breakout of the pandemic coincides with several ongoing challenges in Afghanistan: the development discussions have taken a backseat as politician and the western allies rallying to peace talks with the Taliban. The political divide within politicians had a knock-on effect on the government's ability to collect revenues properly. Combined with that, Afghanistan have been a long-term recipient of external aid, accounting up to 40% of its GDP or 75% of the public expenditure. While health sector has improved over the past two decades, coping with a shock to the extent of the Covid-19 pandemic was even beyond the capacity of the health sector in more advanced economies, naturally the patchy health sector in Afghanistan could not handle the crisis. In a nutshell, these pre-existing factors made the country even more fragile and susceptible to the negative effects of the pandemic.

The government of Afghanistan in response to the Covid-19 pandemic had to restructure its development portfolio and frontload funds. This is mainly due to limited fiscal space, financial constraints, weak health sector, and fragile security situation,

options to combat the virus or prevent its spread were limited and remain so. Therefore Covid-19 breakout made the vulnerable and fragile situation in Afghanistan even worse and derailed the development course.

A recent UN report describes two channels (direct and indirect) through which the pandemic may affect SDGs progress. Direct effects are through immediate health and livelihood related channels, such as individuals getting ill, losing their jobs, or losing the breadwinner of the family to the pandemic. Indirect effects are the side effects of lockdowns, social distancing and other measures (UNDP, 2020). Aggregating those effects potentially has an impact on the progress of SDGs in the country, especially now that the pandemic has lasted for almost over a year.

There are two streams of thinking or debate on the effects of Covid-19 pandemic in Afghanistan stemming from two sets of different assumptions: First, the Covid-19 effects were not drastic in Afghanistan because the disruption mechanisms are different given the composition of the economy. Second, the pandemic had higher disruptions and long-lasting impact due to the nature of income. We will discuss each separately.

The first strand of thought argue that people in Afghanistan have been dealing with vulnerabilities and have developed local/informal resilience mechanisms that a new pandemic does not have an impact equivalent to that of the rest of the economies in South Asia. For the channels described before to take maximum effect, it assumes mobile labour market, natural rate of unemployment, stable and high economic growth, large private sector (large industry sector).

The official statistics show that over 45% of the labour force is employed within the agriculture sector. Average growth rate has been around 2% (World Bank, 2020; Biruni, 2020) to 3% (NSIA, 2020) based on different sources, which is already essentially negative when you combine it with a population growth rate of over 2.3% (NSIA, 2019). With that economic composition and assumption that people in Afghanistan are resilient to shocks, therefore Covid-19 related direct effects have less of psychological impact on the already poverty-struck households. The indirect effects are also minimal because the official lockdown period was very short (3 weeks) and social restrictions were not enforced strictly.

The argument follows that initial supply shocks due to reports of border closures such as Torkham border closures, panic shopping at the cities and some other uncontrollable measures created a temporary atmosphere of panic which subsided after a few months. This was solved quickly through talks with Pakistan to allow transit and trade flow of three days a week, measures to diversify supply chains included keeping three rail terminals open through Hairatan with Uzbekistan, Aqina and Tor Ghundi with Turkmenistan. However, there is little actual data or survey collected to back these claims except official claims by the National Statistics and Information Authority (NSIA).

The second school of thought argue that largely due to panic surrounding the virus and large informal labour markets, the indirect effects of the pandemic was much higher than it should have been. Large portion of the population in Afghanistan are poor with little or no assets, of that a large proportion of the labour force is then employed informally. That means there are no employment

insurance, benefit or institutional set up that protects them at times of crisis. Poor households with no assets are daily labourers with a marginal propensity to consume very sensitive to daily income. The lockdown period had major long-term impact on these daily labourers who fell into the severe food insecure category due to loss of income. As a result, that exposed them to other diseases as well as the virus itself, resulting in long term negative health risks.

This argument is consistent with data and projections coming out of the international development agencies such as the World Bank, IMF, and UNDP who predicted a contraction of -6.8% (UNDP, 2020). Domestic think-tanks such as Biruni Institute estimated a GDP contraction of -8% and inflation rate on food items increased to over 13% during 2020 (Biruni, 2020). The estimates are consistent with reports from humanitarian agencies who feared Afghanistan will fall into famine. To that respect, International Rescue Committee (IRC) placed Afghanistan in annual Emergency Watchlist (IRC, 2020). Other estimates show that trade volumes fell drastically during the first and the second quarter of the Covid-19 outbreak. Coupled with panic and psychological impact on the future of the pandemic and uncertain expected future incomes, many households altered their consumption patterns. This demand driven shock affected the economy indirectly much more than it would have if the government had further fiscal capacity to respond adequately.

It is too soon to conclude which argument has more merits than the other, but there is a consensus on the direct effects of the pandemic that many people lost their lives, lost their loved ones ahead of time and lost their incomes and livelihoods either because of supply or demand shocks. The degree of these disruptions and

the resilience of the Afghans is where the debate lies, that can only be found out with more time and data.

With this in mind, section II of the article will provide an overview of the progress on SDGs in Afghanistan in terms of localisation and implementation. Section III will discuss some of the most relevant socio-economic indicators and how they were impacted by the pandemic. The last two sections (IV & V) will discuss national and regional policy outlook in response to the Covid-19 pandemic.

II. Progress on SDGs in Afghanistan

To give consistency to the discussion, adopting and nationalising SDGs in Afghanistan had the following institutional ups and downs: The country joined and committed to the Sustainable Development Goals (SDGs) in 2015. Government efforts included creating the national and sub-national structures to understand what SDGs were conceptually and to take stock of where Afghanistan was against the SDGs objectives. This exercise resulted in the creation of ASDGs Executive Committee (a sub-committee of the Council of Ministers) with technical working groups and oversight power over the progress with SDGs. The Ministry of Economy started acting as the secretariate to ensure smooth implementation of Phase I. UNDP acts as the national lead and integrator of ASDGs.

The other wing of the National Unity Government (NUG) was the president's office and namely Ministry of Finance (MoF). They irked at the thought of another international development agenda crowding out the nationally developed agendas. This opposition stemmed from lack of understanding that SDGs was a goal/objective based framework and not a project/policy level development

policy. There were antagonisms within the NUG leadership, and SDGs were marginalised and under-funded. Despite that significant progress has taken place and technical staff at the MoEc has left no stone unturned to ensure phase I was successfully accomplished.

Efforts included translating SDG agenda for Afghanistan (ASDGs) through nationalisation, alignment, creating necessary mechanisms, assessment of data and baselines for indicators and determining accuracy of those baselines. Policymakers in Afghanistan for the first time began to know where national policies stood with respect to SDG objectives (Gulabzoi and Khaksari, 2020). In other words, ASDGs became a potential blueprint to provide a compass and navigate Afghanistan's 2030 development agenda.

Other factors enabling SDGs to shape future development paths for Afghanistan include donor fatigue and lack of clear strategic vision on what to do. Both domestic and international experts had noticed that Afghanistan National Development Strategies (ANDS) I and II (2008-2014) and Afghanistan National Peace and Development Framework (ANPDF) I (2016-2020) had not lived up to the expectations. These agendas were often the result of- and a compromise between international partners and the Afghan government to be implemented through identifying a set of National Priority Programs (NPPs). This disillusion had paved the ground for ASDGs to be next development agenda. This has been reflected in the ANPDF II (2021-2030). However, in the post-2019 government thus far, SDGs seem to have become a homeless agenda once more.

III. Covid-19 macroeconomic and socio-economic impact

Afghanistan was already vulnerable and had a sluggish economic performance prior to the Covid-19 breakout. Most macro fiscal indicators point to the same direction. Prior to deep-diving into the key SDGs indicators that were negatively impacted by the pandemic, it is worth noting a few macroeconomic impacts of the Covid-19 crisis. The full discussion on macroeconomic impact is beyond the scope of this paper but for a full review see Afghanistan Economic Outlook (AEO) July 2020 (Biruni, 2020), country note IV – fiscal options in response to Coronavirus crisis (UNDP, 2020) or “Economic and Social Survey of Asia and the Pacific 2021: Towards post-COVID-19 resilient economies” (UNESCAP, 2021).

Below, we discuss most relevant SDGs and relevant indicators to elaborate on the socioeconomic changes. For a full review of the progress before and after the pandemic on key SDG indicators in Afghanistan see Kabiri and Rahimi (2021). A robust exercise by the UNDP Afghanistan involved using a Computable General Equilibrium (CGE) modelling and Afghanistan global trade analysis project (A-GTAP) estimations of Covid-19 impact on 3 SDGs in September 2020. The rest of the SDGs were excluded due to lack of time series data. Table 1 presents a condensed summary of these results.

Table 1: A-GTAP estimations on 3 ASDGs.

ASDGs	Indicator	Latest value	Value under Covid-19	Covid-19 impact (no policy)
1	Proportion of population living below the national poverty line	54.4% (2016)	72% (2020)	-17.5%
2	2.1. Proportion of population below the minimum level of dietary energy consumption	45% (2016)	45.5% (2020)	-0.5%
	2.2. prevalence of under-nourishment (% of population)	29.8% (2018)	27.3% (2020)	-2.5%
	2.3. agriculture value added (annual growth %)	7.5% (2019)	5% (2020)	-2.5%
3	Real GDP	2.9% (2019)	-6.25% (2020)	-9.37%

Source: UNDP Afghanistan 2020

ASDG 1: End poverty

A large proportion of the population lives under the poverty line (indicator 1.2) and poverty rate has continued to increase. In 2012, it was 39% which then increased to 54.5% in 2016 (ALCS, 2016/17). Estimates show that due to Covid-19 and other challenges such as security and unemployment this has increased to over 72% in 2020 (UNDP, 2020). Poverty rate is higher in the rural areas than cities and central and northeast regions have the highest poverty rates.

The multidimensional poverty index (MPI) from the UNDP report in 2020 places 55.9% of the population as multidimensional poor (MP) and another 18% of the population as MPI vulnerable (HDI, 2020). That means a shock will slip these people into further poverty and to MP category. From the estimated population of 36 million,

over 11 million suffer acute food insecurity in 2019 and World Food Program (WFP) warned that these numbers might double. In addition, UNESCAP estimated that 132 million more people could be pushed into poverty (\$1.9/day) due to Covid-19 in South Asia (SANEM, 2020). Oxfam estimated that number of people at the brink of famine in Afghanistan has risen to 3.5 million in May 2020 compared to 2.5 million September 2019 (IMF Policy Tracker, 2020).

ASDG 2: Zero hunger

At the onset of Covid-19 breakout, Afghanistan faced dire situation with basic needs such as food, shelter and adequate employment. A recent IPC estimate suggests that between November 2020 and March 2021, around 13.15 million people (42% of the total population) in Afghanistan are likely to experience high levels of acute food insecurity (FAO, 2020).

Data shows that prevalence of stunting among children under 5 was 41% (SDG 2.2), while wasting among the same group was reported to be 9.5% (SDG 3.2). Covid-19 impacted younger persons more. UNICEF findings show that 9/10 child may face at least one type of deprivation, that including access to food and nutrition (SDG 2.1). Inflation rate on food items were over 13% due to panic shopping and hoarding in Afghanistan, this exacerbates the issue with undernutrition (SDG 2.2).

Due to timely intervention by the government, the Covid-19 impact on agricultural productivity (target 2.3) and food insecurity has been mitigated to some extent. Ministry of Agriculture and FAO found in a survey that only 2% of male farmers and 24% of female farmers thought their crops and livelihood may have been affected

(FAO, MAIL, 2020). The same survey showed that poultry market was impacted the most by Covid-19. So loss of income (target 10.1 and 10.2.1) coupled with high inflation rates (especially food items) (target 2c) due to Covid-19 would have ultimately affected access to food (target 2.1). The national meal distributing program (REACH) also played a role in helping the issue with food security. Though the extent of these fiscal stimulus remain unknown.

ASDG 3. Health and well-being

Initial predictions by the Afghan health authorities expected between 16 – 28 million people getting infected, the associated predicted death rate was expected to peak 100,000 in the absence of mitigating measures (MoPH, 2020). Ministry of Public Health (MoPH) carried a national survey of Covid-19 morbidity and mortality rate in July 2020. They found that around 10 million people had contracted the virus until then, of whom over 6 million were adults.

The number of returnees (especially from Iran and Pakistan) and limited health sector capacity meant that there was further pressure on the health sector. Afghanistan had 12 ICU beds with 2 diagnostic labs for the entire population at the start of the pandemic (IDMC, 2020).

Other regular programs such as polio vaccination and regular visits to the hospitals would be derailed and compromised due to the Covid-19 pressures, which have additional health effects. The pandemic showed there were major issues with the health sector from diagnosis, case management, human resources, risk communication and surveillance as well as procuring medical facility. Government's lack of fiscal space, available resources limited the impact and the reach of the government response.

ASDG 4. Quality Education

Afghanistan has made remarkable achievements in the past two decades in school enrolment, bumping up literacy levels, especially female enrolment rates have witnessed unprecedented levels (Kabiri and Rahimi, 2021).

Part of the measures to prevent the spread of the virus, the Ministry of Education and Higher Education closed all learning facilities on March 14, 2020. Despite the sudden crisis and limited resources education sector in Afghanistan has managed to find alternative modes of continuing (Naidoo and Arian, 2020). The plans included the use of ICT, TV, distance learning and small groups of face-to-face learning. This system resilience building has proven to be effective. Most universities and education centres adopted one or more than one of the above modes of teaching.

ASDG 5. Gender equality

Remarkable achievements have been made over the past two decades with regards to female inclusion and reforming legal documents in Afghanistan to ensure gender equality. For instance, high percentage (20%) female participation in political life (SDGs 5.5.1) at different levels of governance attest to these achievements. Covid-19 pandemic is a shock to the entire economy; thus it has affected all genders including women. UN Women started a series of Gender Alerts calling the government of Afghanistan to make sure their responses were gender sensitive (UN Women, 2020).

Afghanistan is a special case, the derailment from achieving SDG targets is compounded with political divide, security challenges, rising violence, and the uncertainty caused by the on-going peace

process which has pulled the attention away from the development issues. Above all, the country's reliance on external financing and lack of availability of domestic resources, any progress on achieving SDGs remains uncertain in the post-pandemic and post-peace Afghanistan. Otherwise pro-poor social protection programs, adequate social spending, scaling up social protection programs for the poor and others in need is recommended (Burattini, 2020).

IV. National response to COVID-19 pandemic

With the rise in the infection rates following March 2020, the GoIRA enforced and tightened confinement and lockdown measures. These included airports, ports and public places/gatherings. These measures were somewhat ineffective as most border crossing between Afghanistan and its neighbours (Iran and Pakistan) are informal and not controlled. Some experts suspect the measures did little to control the infection rate however we have no evidence or data to haste into such conclusions. On the other hand, the panic and lockdowns did affect urban-domestic trade, transportation, and inflation (particularly in the price of food items) (NSIA, 2020a).

GoIRA established the National Emergency Response Plan for Coronavirus to coordinate efforts and plans among the government and international agencies present in Afghanistan. MoPH's Covid-19 Emergency Response and Health System Preparedness Directorate financially and technically supported by the World Bank project, Afghanistan: COVID-19 Emergency Response and Health Systems Preparedness also became active. Chronologically, the lockdown measures were eased by August 2020, businesses re-opened with requirement to wear a mask and maintain social distancing. This

was almost voluntary as there were no specified enforcement mechanisms, in practice the police is overwhelmed with other challenges such as security. However, official working hours remained at 50% capacity and sometimes with alternating hours.

Government response was mostly fiscal policy interventions. Afghanistan allocated 0.8% of its GDP from emergency funds in response to the pandemic. See UNESCAP Policy Tracker for a summary of national responses (financial, social assistance and business support to the pandemic) (UNESCAP, 2020). Of which 0.1% of GDP was spent establishing testing labs including those at the border crossings, setting new special wards to boost hospitalisation capacity and procure emergency medical equipment. In April 2020, the government announced giving free bread to the poor in Kabul and some other cities too. The program ended in June, but in May all electricity bills below \$13 for two months period for families living in Kabul was waived. There were no tax breaks, but the tax filing deadlines were extended for a further 45 days, however in December 2020, all tax and customs penalties were waived.

The revised national budget which restructured the development budget portfolio re-allocated 2.9% of GDP worth of funds to the pandemic response with only about 15% directed to health sector, was ratified by the Parliament in November 2020. The revised budget included: health package of over 6 billion Afghanis (AFN) to build new hospitals, social package of over 20 billion AFN including the free bread distribution, wheat purchase program of 1.7 billion AFN, further transfers to provinces worth 2.3 billion AFN and another agriculture support package of 5.9 billion AFN and short-term job creation stimulus of 1 billion AFN (IMF Policy Tracker, 2020).

V. Regional response to COVID-19 pandemic

In the regional context, SDGs identified as most vulnerable prior to the Covid-19 included SDG 6; SDG 8; SDG 12 and SDG 13. It had been argued that trends in these SDGs must be reversed and achievements were insignificant, particularly in South Asia region. With the Covid-19 the derailment from the targets are exacerbated and it is anticipated that South Asia will not be able to achieve SDGs by 2030.

Performing and building back better on several SDGs (e.g. 2, 3, 4, 7, 8 9, and 13) require regional cooperation and support. Several organisations have been active, including the UNESCAP in providing support and theoretical know-how on how to boost regional cooperation which will ultimately affect those SDG targets.

Regional mechanisms available include trade cooperation, supply chain linkage, creation of transport corridors, financial cooperation, and sector-specific cooperation. These regional mechanisms are key to keep the Afghan economy running. For instance, due to Covid-19 related disruptions the economy showed a significant fall in trade as exports declined by \$32 million in the second quarter as compared to the second quarter of 2019 (Biruni, 2020). According to a Business Pulse Survey by IFC on formal SMEs, only 37% of the business operations were open during the months of June and July while the rest were temporarily closed.

For instance, in the transport connectivity dimension, South Asia entered a lockdown with poor logistics and transport systems, the lockdowns further reduced operations and lowered capacity. Afghanistan coordinated with Pakistan and Iran a partial opening of

the borders to continue to receive essential food supplies (UNESCAP, 2020a).

Some regional cooperation frameworks were put into action under SAARC. For instance, the Emergency COVID-19 Fund, which was set up by SAARC nations, including 1 million USD contributed by Afghanistan. India has made use of the corpus under the Fund to send medical supplies (hydroxychloroquine) to Afghanistan as well. In knowledge sharing and good practices, UNESCAP initiative of creating South Asia Network on the Sustainable Development Goals (SANS) has also been effective (UNESCAP, 2020b).

At the regional level, the COVID-19 pandemic has created the risk of more inward looking, protectionist and nationalistic policies unless countries come together for greater regional trade, especially over land trade for Afghanistan. The nature of Afghanistan's economy is fundamentally different from other South Asian economies in terms of heavy reliance on international aid. Afghanistan meets 75 percent of its public expenditure needs (on and off budget) through international grants and aid, adding to the tremendous pressure on government to meet additional expenditure needs. From Afghanistan's context, the role of bilateral trade becomes important during the pandemic with its neighbours especially with Pakistan and Iran for food security as well as for the businesses. In the absence of trade agreement with Pakistan, while a transit trade agreement exists, it was suggested that a bilateral trade agreement between Afghanistan and Pakistan in this pandemic could unlock the full trade potential for wider regional cooperation.

VI. Conclusion/Way Forward

The analysis in this paper reveals that in order to understand how the pandemic related shock affected the population especially the poorer population in Afghanistan more market studies and data needs to be collected. The difference of opinion in how community level resilience and elasticities that may absorb the shocks cannot be firmly ruled out unless there is solid ground level empirical evidence. In the case of Afghanistan, the country is already off-track with achieving the SDGs by 2030, a shock such as the Covid-19 has made that even more unlikely. Limited fiscal space, political and security crisis limits options for policymakers as well. As things stand, the ASDGs is a homeless agenda in Afghanistan and a strong political and institutional support is needed to bring the discussions back to the mainstream. SDGs have the potential to attract additional finances if managed properly.

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Biruni Institute is an independent, non-partisan, and not-for-profit economic policy think-tank based in Kabul. Established in March 2019, the Institute aims to promote evidence-based and research-led policy making in Afghanistan and create an environment for open dialogue on key development issues.

We apply state-of-the-art analytical tools and empirical methods, contextualized to local setting, to deliver solutions that address major issues confronting the economy. The Institute strives to make meaningful contributions to the national debate on contemporary economic challenges in Afghanistan, and endeavors to institutionalize a scientific approach to policy design and economic thinking in the country.