

AFGHANISTAN

Potential Impact of the Coronavirus Pandemic on SDG Attainment

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UNDP AFGHANISTAN

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Abbreviations

| | |
|------------|--|
| ALCS | Afghanistan Living Conditions Survey |
| A-GTAP-CGE | Global Trade Analysis Project's Computable General Equilibrium Model for Afghanistan |
| ANDS | Afghanistan National Development Strategy |
| ANPDF | Afghanistan National Peace and Development Framework |
| A-SDGs | Afghan Sustainable Development Goals |
| CGE | Computable General Equilibrium |
| COVID-19 | Coronavirus Disease 2019 |
| DCRR | Disaster and Conflict Risk Reduction (DCRR) |
| GDP | Gross Domestic Product |
| GHI | Global Hunger Index |
| HDI | Human Development Index |
| MoPH | Ministry of Public Health |
| MPI | Multi-dimensional Poverty Index |
| MSME | Medium and Small Enterprises |
| NPP | National Priority Programme |
| NUG | National Unity Government |
| SAARC | South Asian Association for Regional Cooperation |
| SDG | Sustainable Development Goal |
| SDR-2020 | Sustainable Development Report for 2020 |
| TB | Tuberculosis |
| UNDHR | Universal Declaration on Human Rights |
| UNDP | United Nations Development Programme |
| WFP | World Food Programme |



Foreword

The COVID-19 pandemic continues to erode socio-economic progress and threatens to roll back hard-earned development gains. While this impact is global, the poor, and developing economies are disproportionately affected. Globally, the rate of improvement in human development is expected to decline this year for the first time since 1990, when the composite Human Development Index (HDI) was first introduced.

Just as the impact of the pandemic on economies is complex and multi-faceted, so it will seriously undermine the capacities and ability of governments to devise and implement solutions that respond efficiently to it. The ability of governments around the world to achieve the Sustainable Development Goals (SDGs) by addressing the so-called triple bottom line (economic, social and environmental) issues, will naturally be impacted as well.

This note is the third in a series of notes produced by UNDP to assess the socio-economic impact of COVID-19 on the Afghan economy. Using evidence from recently developed regional Computable General Equilibrium (A-GTAP CGE) model, this note aims at providing the Government of Afghanistan and its development partners with informed policy options to address immediate impact of the pandemic on SDGs and potential funding options.

In addition to reporting on the output of these economic models, this SDG impact note draws on other streams of work completed by the government on A-SDGs with support from UNDP. These include, inter alia, A-SDG cross-elasticities, the alignment between the national development priorities and the A-SDG priorities and goals that are likely to have been most directly impacted by the pandemic.

This note begins by highlighting the likely impact on the achievement of A-SDGs over different time horizons stemming from enhanced synergies and the likely trade-offs between both negative and positive impacts. The note also explores the implications of other contributing policies that will have an impact on how the pandemic is addressed. Among the most important factors are the need for higher levels of funding than were available before the pandemic, the disproportionately narrow fiscal space that has been further tightened by the pandemic, and the increasing urgency of exploring alternative and more sustainable funding sources and instruments.

Finally, the note concludes by making practical policy recommendations focusing on not just the ends but means to implement these policies. With a clear realization of the need for a systemic response to the institutional and structural challenges that have been laid bare by the pandemic, it is high time that A-SDGs are embraced as the integrated development framework, while acknowledging the need to strike a balance between medium-term development goals and the more immediate priorities to fight COVID-19.

I hope that this note will prove useful to policymakers in Afghanistan and complement similar work being carried out by our other partners.

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1. Executive Summary

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

The Afghan Government increasingly realizes that A-SDGs should be the building blocks for policy interventions addressing the socioeconomic fallout from the pandemic.

Though COVID-19 is clearly a setback for the Afghan economy and the attainment of the A-SDGs, it does not undermine Afghanistan's long-term commitment to its sustainable development vision. The Afghan Government increasingly realizes that A-SDGs should be the building blocks for policy interventions addressing the socioeconomic fallout from the pandemic.

Based on this background, this paper examines the affordability of A-SDGs attainment in 2020 by comparing fiscal capacity before and after the pandemic. More importantly, our results will inform policy makers on the funding needs and potentials of selected post-COVID-19 economic recovery policy options available to the Government of Afghanistan.

Given the complexity of the challenges caused by COVID-19, it is pertinent to emphasize complementarity between fiscal, monetary, financial, trade and private sector-driven development policies for countering the impact of COVID-19 in the short-run, and setting the economy on a sustainable development path, which is in alignment with the A-SDGs.

Based on the findings of the UNDP Country Office Country Notes findings, the Afghan government would need to allocate resources equivalent of 15% of the current GDP for immediate interventions in the health sector, along with social protection measures, including SDGs attainment in 2020. This would include: (i) \$300 million for overall SDG attainment, (ii) around \$250 million for emergency interventions to fight COVID-19 and (iii) comprehensive social protection measures (cash transfer schemes to eligible citizens) amounting to the tune of \$2.5 billion. Invariably, these figures are monetarily much higher as a percentage of current non-military government expenditure.

However, there are more affordable policy options regarding social protection that the government could opt for, such as: (i) income support of around 1,000 Afghanis/month to the elderly ("social pension") for six months which would require only 0.25% GDP; (ii) income support for the internally displaced people (IDPs) and returnees would cost around 0.5% GDP; and (iii) civil works for unemployed for 100 days at a wage of 1,000 Afghanis/month which would cost only around 1% of GDP.

Moreover, the Afghan government could mobilize more revenue through more efficient tax collections by focusing on strengthening institutions (SDG-16). Based on the findings from Afghanistan Human Development Report (2020) and our model simulations, 30% of the potential revenue to be generated by VAT collections at the borders, 30% of revenue to be collected from excise and export tax from legalization of illegal mining activities could fund A-SDGs achievement in 2020; the remaining 70% additional revenue would support both the fight against COVID-19 and the longer-term development agenda.

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

As the global economy experiences the broadest peacetime collapse in per capita income since 1870 (World Bank, 2020), the UNDP is committed to reversing the downward economic trends and uncertainties that confront Afghanistan amidst declining international donor support and its dire need to alleviate the impact of the COVID-19 pandemic on its citizenry.

UNDP will re-orientate its programme portfolio towards supporting the Afghan Government's strategic agenda to help its citizens build greater trust in Government (as defined in the ANPDF II). UNDP will collaborate with the Afghan Government to adopt an integrated manner in the implementation of the 15 National Priority Programmes (NPPs), thereby building access to innovative financing mechanisms and sustainable investment strategies.

Leveraging its strong collaboration with other development organizations, as well as its advisory and continuous dialogue with the Afghan Government, UNDP aims to play a catalytic role in Afghanistan's transition to sustainable and inclusive development by 2030. The platform approach proposed by the UNDP is being based on a holistic approach which links traditional budget planning with innovative finance towards implementing sustainable development policies and programmes in Afghanistan.

UNDP's socio-economic recovery offer to fight against COVID-19 aims to enable national and sub-national authorities to address the crisis in the short-run and help reverse its negative effects on the realization of the A-SDGs in the medium and long-run.

This paper, first, describes how COVID-19 impacts SDGs, then, recommends policies for remediation of its negative impact.

2. Impact Channels of COVID-19 on SDGs

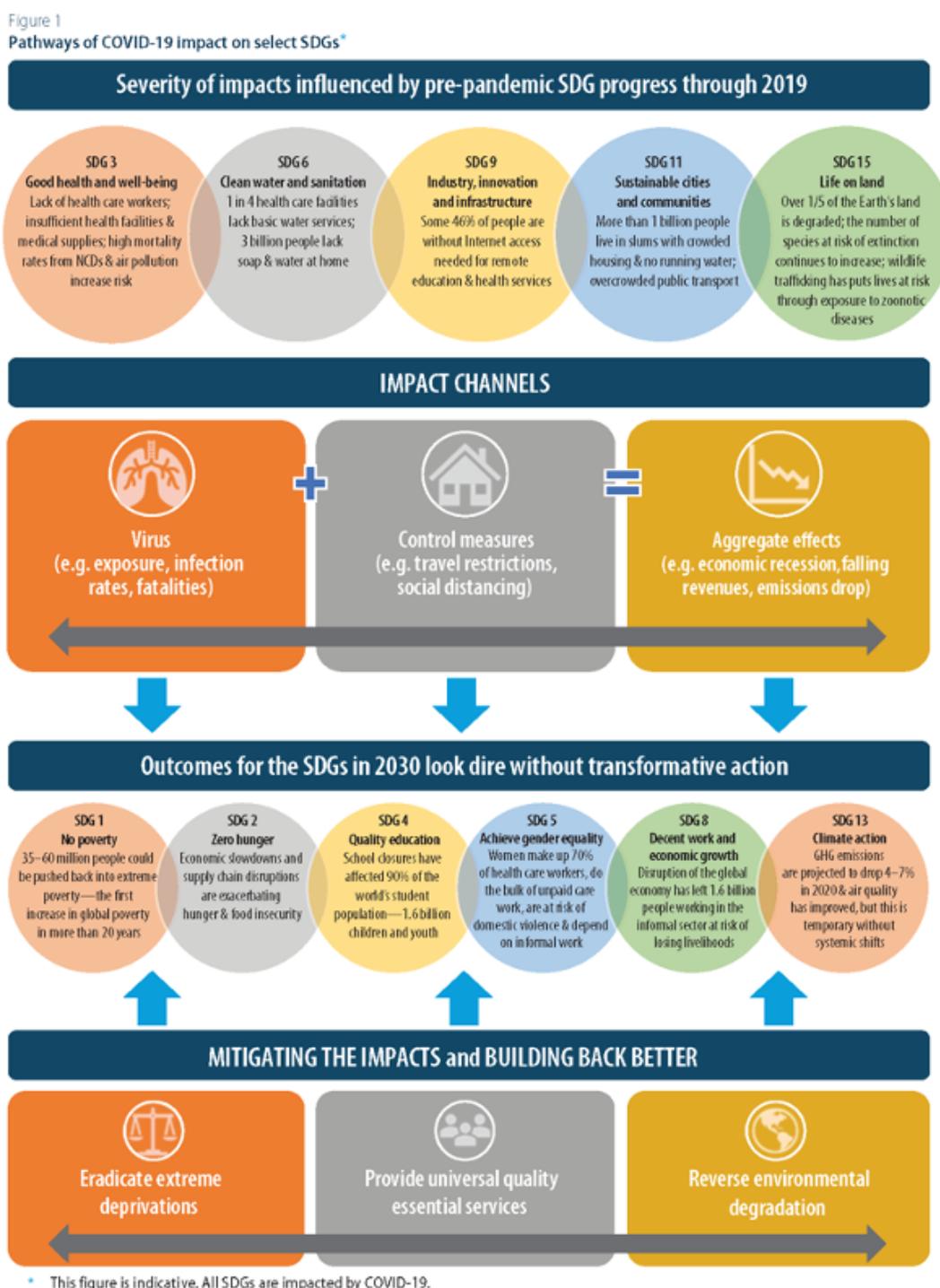
A recent report by UN describes pandemic's pathways to affect SDGs' progress as direct and indirect effects. (see Figure 1).

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

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

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

Figure 1. Pathways of COVID-19 Impact on Select SDGs¹



1. <https://bit.ly/32qB2S0>

Linkages between SDGs

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

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

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

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

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

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

Based on its expertise in sustainability, UNDP has been supporting the Afghan Government on these complex issues, particularly on policy responses based on the economic modelling tools that can help in understanding how these factors are connected in different contexts as well as the evidence-based policy options available to decision-makers.

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

Global Context

The United Nations SDG Progress Report (2019) demonstrated that the world had gained progress in some critical areas including extreme poverty reduction, child and infant mortality, access to electricity, water, and sanitation. Majority of countries were taking serious actions to tackle global warming and climate change. The report also had equally identified many areas which needed urgent action: global hunger was on the rise, the pace of the progress towards ending poverty was not sufficient, and at least half of the world population did

not have access to basic health care services. More than half of world children had difficulty in reading and understanding the mathematics. The report highlighted increasing environmental deterioration and sea level rise, and the last four years have been reported as the warmest in history.

Regional Context

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

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

Country Context

In September 2015, the former Chief Executive of Afghanistan, H.E. Dr. Abdullah Abdullah, adopted the SDGs and the 2030 Agenda for Sustainable Development. While considering the existing capacity and resources of the Government of Afghanistan, the Ministry of Economy (MoEc) launched the SDGs with the commitment to effectively embed the global goals and targets in national and local plans and processes. These efforts were ultimately aimed at adopting SDGs framework for the achievement of its national development goals and vision. With continuous support from UNDP, the MoEc collaborated with over 28 different government agencies to translate the global SDGs into a nationally owned agenda, thereby leveraging Afghanistan's ambition, capacities, resources, opportunities, weaknesses and threats towards delivering the Afghanistan Sustainable Development Goals (A-SDGs) by the year 2030.

A-SDGs consist of 16 Goals, 110 targets and 177 indicators².

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

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

SDG 1: End Poverty

In Afghanistan, poverty reduction is a national priority. The first multi-dimensional poverty report for Afghanistan (2019) was based on the data from the Afghanistan Living Conditions Survey (ALCS) 2016–17. 18 indicators were chosen to reflect the priorities presented in the ANPDF (2017-2021), which articulated a vision of Afghanistan's well-being and self-reliance in terms of wider monetary measures alone. The ten National Priority Programs (NPPs) were the main programming instruments through which the Government sought to realize the vision set in the ANPDF. However, the A-SDGs and NPPs alignment exercise showed that the overall policy coherence between the NPPs and other national programs and projects is weak. Despite references to poverty alleviation as a crosscutting policy objective in almost all the NPPs, there are no measurable outcomes directly addressing either monetary poverty or a special focus on any of the 18 MPI indicators. This situation is further compounded

2. As per NSIA revisions on December 2019.

by the fact that even geographic entrenchment of MPI is not specifically addressed through the NPPs or recognized as a policy priority.

The poverty levels in Afghanistan have continued to increase in spite of strong economic growth that was seen during the years between 2007 and 2012. The proportion of people living under the national poverty line (SDG target 1.2) has continued to increase over the past decade. For each observation (or when the data for poverty indicators were reported) there is a significant increase in the number of households and people falling into poverty. Due to policy decisions related to aid allocations, conflict and geography, welfare disparities are highly entrenched across different regions of the country. Comparatively speaking, Central-West and Northeast regions have higher rates of poverty. On a similar par, the poverty rates are also higher in rural areas of Afghanistan³.

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

Considering these increasing levels of poverty in Afghanistan, a government or “aid-led” social protection scheme or policy to reduce poverty through social cash transfer schemes, emergency or public employment programs at scale have been the missing link of policy objectives and efforts to reduce poverty in Afghanistan. Currently, the Citizens’ Charter National Priority Program remains the only major public investment program that directly addresses poverty reduction through the provision of block grants to the communities. The projects supported through the Citizens Charter cover rural (mostly in areas under government control) and urban areas and alleviates poverty through building infrastructure, such as health facilities, construction of irrigation canals, road repair and reconstruction at the community level. These interventions create emergency employment through public works programs but are not significant in themselves to reduce poverty in Afghanistan.

SDG 2: Zero Hunger

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

Most of the poor cannot survive harsh winters without seasonal migration in search of work mostly in urban areas of Afghanistan. Hunger and food insecurity during harsh winters is pervasive. Geography, conflict, and insecurity coupled with lack of job opportunities for semi-skilled and unskilled labour are the primary drivers of hunger and food insecurity in Afghanistan. During droughts and harsh winters, the proportion of severely food insecure population increases. But due to infrequent data observations,

Around 55 percent of the population were extremely poor and already needed income, nutrition and shelter support. Most recent assessments showed that around 11 million Afghans needed emergency food assistance before the pandemic hit.⁵ Around 44 percent of the population are either moderately or severely food insecure.⁶

3. As per NSIA revisions on December 2019.

4. As per NSIA revisions on December 2019.

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

6. Government of Afghanistan, “Afghanistan Living Conditions Survey,” (2016-2017).

it is hard to bring to light the full proportion of the problem of food insecurity in Afghanistan and negative impact of COVID-19 on food security⁴.

Even before the onset of COVID-19, Afghanistan faced an increasingly dire situation as most Afghans did not have access to basic needs, such as food, shelter, healthcare, and schooling. The prevalence of stunting among children (SDG-2.2:) under 5 is 41 percent while wasting among children under 5 is reported 9.5 percent (SDG-3.2). These rising social and humanitarian needs were triggered by the combined effect of conflict and fragility, climate change, rising levels of extreme poverty, unemployment, demographic pressures, returnees, and internal displacement.

SDG 3: Health and Well-being

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

This is proof that the Government of Afghanistan has made impressive strides to improve service delivery in the health sector in an otherwise extraordinary context. Afghanistan has developed a National Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) Strategy in 2017 and was put to implementation for almost two years. The strategy commits the Government of Afghanistan to educate, train and deploy around 3500 midwives to the most deprived parts of the country by 2030.

SDG 16. Peace, Justice and Strong Institutions

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

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

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

Regarding strong institutions, Afghanistan ranked low before the pandemic. An up-coming UNDP paper will focus on governance and improved security conditions on productive sectors in Afghanistan.

4. Impact of COVID-19 on A-SDGs

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

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

A recent study by UNESCAP⁷ finds that around 132 million more people could be pushed into (\$1.9/day) poverty in South Asia, which means reversal of gains in poverty reduction of the last decade.

SDG 1. End Poverty

With 11.3 million people in acute food insecurity² in 2019, Afghanistan was already extremely vulnerable even before the pandemic: it was ranked 180th out of 185 countries which were globally assessed for food security indicators. The World Food Programme (WFP) is now warning that the number of people experiencing acute food insecurity may double because of COVID-19 crisis, giving rise to a new hunger pandemic.

Effect on Children

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

- Eight out of 10 people and nine of 10 children may face at least one type of deprivation, thus the poverty impact of the pandemic on children would be higher.
- On average, children aged 0-17 would bear the highest burden compared to all the other population subgroups.
- The number of children aged 6-18 deprived in school attendance could rise from 5.6 to 9.7 million. Thus, if these children are unable to go back to school, the incidence of multidimensional poverty could rise from 51.7% to 60.9%.

If unemployment, underemployment, youth NEET⁸ increase, given the and a high dependency ratio (less than one household member works for every 6 people), the multidimensional poverty headcount could rise from 51.7% to 73.5%.

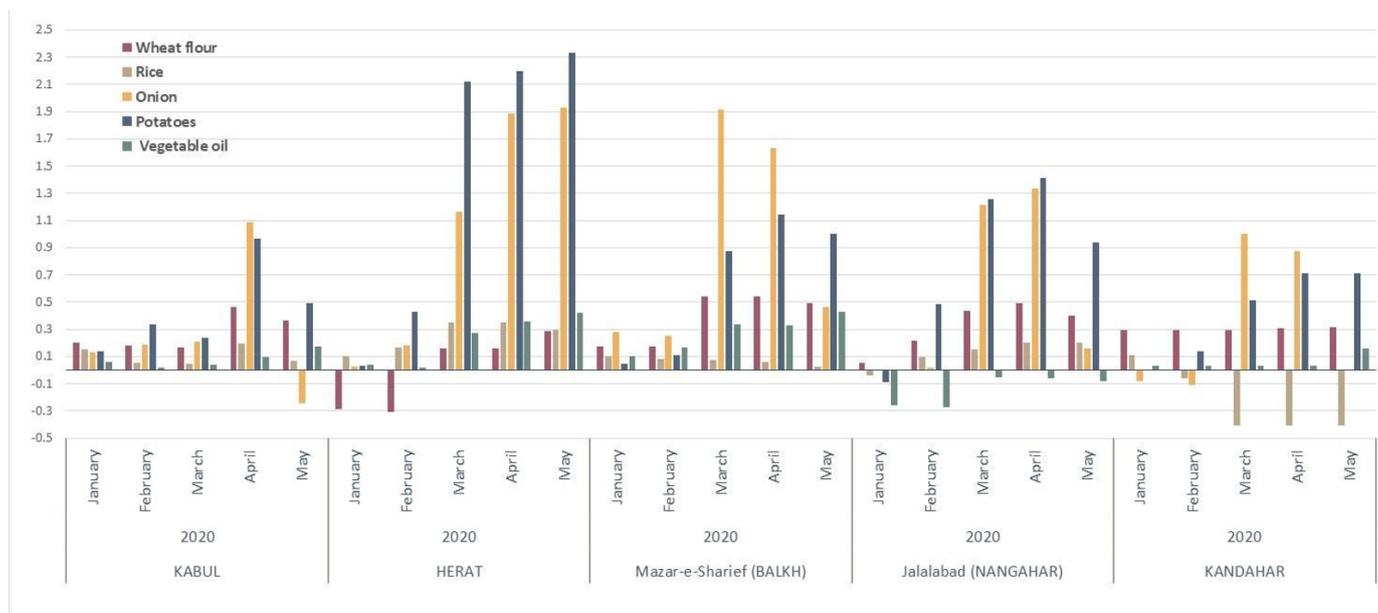
SDG 2. Zero Hunger

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

7. Based on SANEM - South Asia Computable General Equilibrium (CGE) Model simulations.

8. Share of young people not in education, employment or training as defined by the ILO.

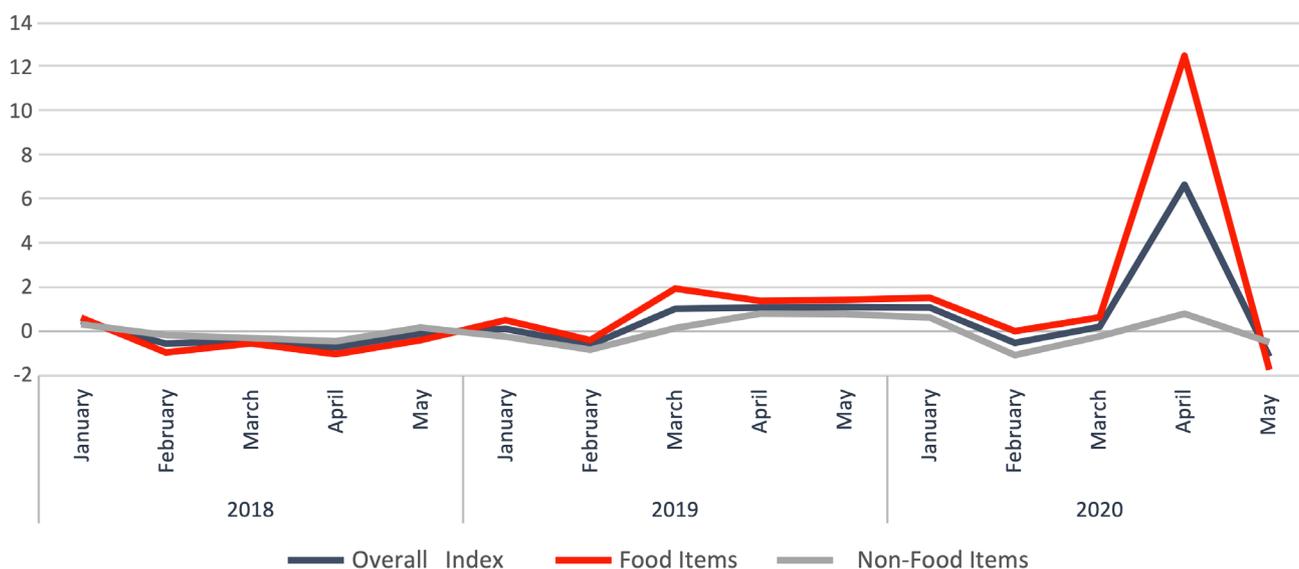
Figure 2: Retail Price in 2020 as a Share of the 2018-2019 Averages for Selected Food Items and Markets



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

The price of non-food items also increased. The Consumer Price Index (CPI) showed an upward trend for the months of March and April. The price hikes, though high for non-food items, were still lower compared to food items. In the month of May, as can be seen in Figure 3, the prices decreased significantly due to Government of Afghanistan intervention.⁹

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



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

The COVID-19 impact on agricultural productivity (SDG 2.3), however, is reported to be insignificant. According to a perception survey by the Ministry of Agriculture and FAO, only 2 percent of male farmers and 24 percent of female farmers believed that they may not be able to cultivate the next crop due to COVID-19 restrictions. One of the sub-sectors that was particularly impacted by COVID-19 is poultry farming. The same survey showed quite a significant percentage of farmers expressing concerns over the lack of access to day-old chicks and

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

feed—mostly imported from Pakistan, but also from Iran and Kazakhstan. Other concerns expressed by farmers, such as lack of access to agricultural inputs, transportation, storage capacity, are not directly connected to the COVID-19 impact. The survey does not tell much if the lack of access to markets was a pre-existing structural issue which was exacerbated by the onset of COVID-19. However, many of these constraints around value addition and access to markets are mostly pre-existing problems in Afghanistan. While border closures, particularly during March and April, may have affected access to regional markets for Afghanistan's products, the extent of this problem is yet to be measured.

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

Only 2 percent of male farmers and 24 percent of female farmers believed that they may not be able to cultivate the next crop due to COVID-19 restrictions.

Child nutrition

Child nutrition is a key development issue linked to malnutrition in Afghanistan. In 2019, 83 percent of children under five suffering from severe malnutrition received treatment up from 24 percent in 2011. However, taking into account the impact of COVID-19 on food access and price, and also the pre-COVID-19 pace of change, it is unlikely that Afghanistan will now be able to meet the target of ending all forms of malnutrition by 2030 (SDG-2.2). Good nutrition plays a key role in child development. Undernourished children are more likely to get sick or die. Those who survive impaired physical growth and brain development suffer from limited educational attainment and lifelong earning potential. Poor levels of educational attainment (SDG-4.1 & SDG-4.6) will be one of the key factors that reduce progress towards the government's goal of self-reliance. Currently, one in four children is underweight and poor child nutrition has led to 43.6% of children showing signs of stunting in Afghanistan (globally the average is 21.3%) with some provinces having up to 70% stunting. Obviously, this also has immediate health impacts (SDG-3) in terms of reduced immunity and susceptibility to COVID-19.

SDG 3. Health and Well-being

According to early (April) estimates of the University of Oxford/WHO, the spread of COVID-19 would have peaked in June 2020 and if preventive measures were not taken, the virus would have affected nearly 70 percent of the population resulting in 20,500 deaths by end 2020¹⁰. Initial predictions made by the Afghan Public Health Ministry in May 2020 anticipated that between 16 million and 28 million people may eventually be infected and more than 100,000 may die also in the absence of mitigating policies the end of the year¹⁰. This compares to a scenario of 190,000 infections subsequently developed in the "The National Emergency Response Plan for Coronavirus"¹¹. The national COVID 19 morbidity and mortality survey conducted by MoPH in July 2020 suggested that about 10 million people (nearly one-third of the population) have or had the virus most of whom would be adults (6 million) than children aged between 5 and 7 years (3 million).

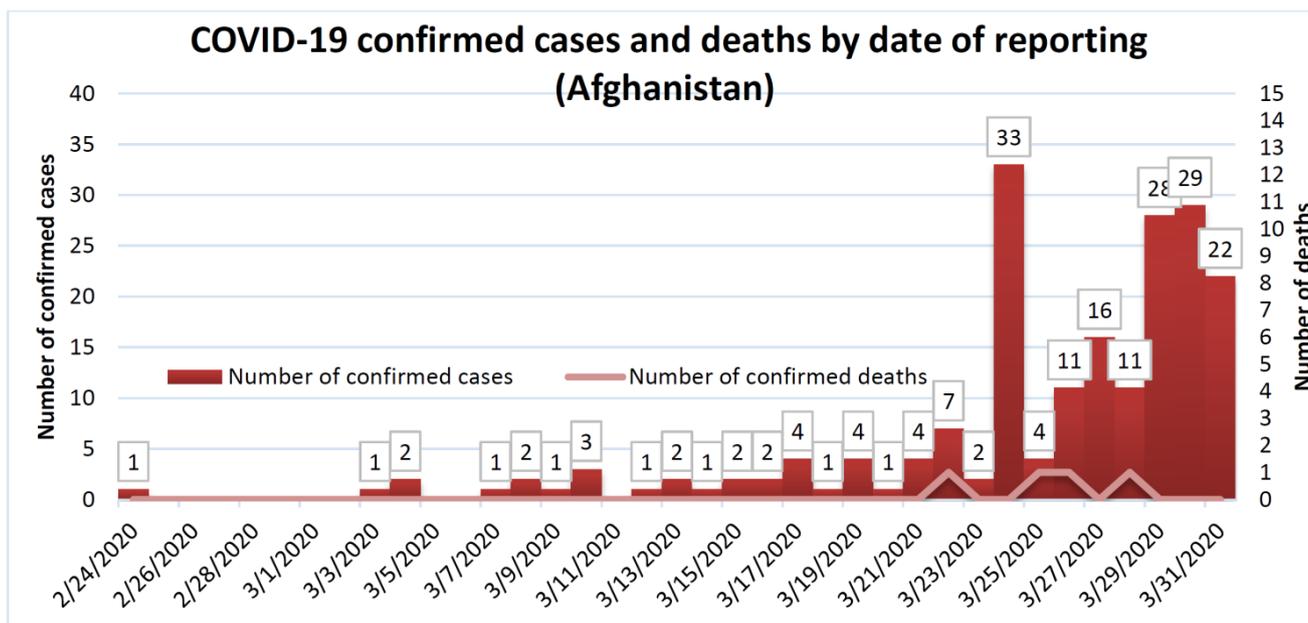
Numbers aside, the possibility of an uncontrolled spread of the Coronavirus in Afghanistan is not unlikely at some point. This can be partly because most of the population cannot take self-protection measures such as regular hand washing with soap, social distancing and working from home.

Yet as of August 2020, there have been only 38,162 officially reported cases of infection and 1,402 deaths¹¹. All in all, the unpredictable course of the pandemic combined with the testing and reporting capacity of Afghanistan implies that the true incidence of infections and deaths may not be known for some time. Figure 4 displays the numbers of cases and deaths at the beginning of the Coronavirus outbreak (MoPH, 2020) based on the quarterly update from the Ministry.

10. MoPH (July 2020)19, Monitoring & Evaluation and Health Information System General Directorate

11. <https://www.worldometers.info/coronavirus/>

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



Source: NDSR, MoPH (2020)

The inflow of Afghans coming from abroad, especially infected neighbouring countries, can aggravate the situation. A third factor is the limited health facilities. According to one report at the initial stage of the pandemic, the US had 33 ICU beds per 100,000 people compared to two in India, Pakistan, and Bangladesh and 0.1 in Uganda. If Afghanistan had Uganda’s extremely small number of ICU beds and considering its population size, this would bring its expected total number of ICU beds to 35. Instead, Afghanistan was reported to have just 12 ICU beds then and only 2 diagnostic laboratories for its highly dispersed population of nearly 35 million¹².

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

Even if the health physical infrastructure were in place, more would require for effective service delivery – leaving aside getting prepared for future outbreaks. The medical infrastructure in place often attracts most attention but, as the experience from some high-income countries makes clear, the role of leadership and weak management systems cannot be overrated. Failure to consider the strength of political will and managerial competence can compromise the effectiveness of programs as does also lack knowledge among citizens regarding the essentials of public health practise¹³.

The situation is conflated by two additional factors. First, the pressure on health services arising from the spread of COVID-19 implies that the provision both of ordinary individual treatments and public health services (such as vaccinations especially polio) may be curtailed. Second, ongoing conflict does not seem to spare hospitals, clinics, and medical personnel from its operation, including maternity wards.

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

13. UN Women and UN SG Brief on “The Impact of COVID-19 on Women” (9 April 2020). UN Women (2020) Issue Brief: COVID-19 and Ending Violence Against Women and Girls, May 2020.

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

Like returnees, IDPs have also of rising concern¹². According to OCHA (UN – Office for Coordination of Humanitarian Affairs), almost 86,000 people have been displaced by conflicts or natural disasters in Afghanistan in the first 5 months of 2020 alone. Both returnees and IDPs have limited access to basic health services and testing facilities. They may have lost income and assets and therefore not being able to afford health care services. They may also face limited economic opportunities because of the countrywide lockdown.

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

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

Due to lack of fiscal space, recourse from international donors has been necessary for the emergency interventions to fight COVID-19.

Most of the soft pledge is now turned to hard pledge by donors, which includes support from UN agencies, bilateral agencies, EU, ADB and the World Bank. As per information from MoPH, international partners made hard pledge for a donation of \$78 million for immediate response to COVID-19. In addition, development partners including UN Agencies made a soft pledge for donation of around \$200 million which intends to make the system ready for effective COVID-19 response. Most of the pledges made are being implemented through various contracting mechanisms.

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

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

Effect on Women

UN-Women reports¹³ that COVID-19 impact on women is higher in developing countries; especially for vast majority of women who work for the informal economy. In the health and social services sectors where women make up to 70% of workers, heightened care needs of older persons put extra pressure on workers. With children out-of-school, unpaid care workload for women has also increased, it is well known that women already do three times as much unpaid care work as men globally. It is also reported that about 70% of COVID-19 quarantining has caused a spike in domestic violence levels. Finally, there appears that more men were tested than women. This cannot be optimal since no country that had deployed wide-ranging testing has so far detected any significant difference in the ability of the virus to infect—and make infectious—either gender.

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

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

SDG 8. Economic Growth¹⁶

The COVID-19 shock not only comes at a time when the country is facing a number of other parallel shocks such as drought, climate change and economic instability. Measures must be taken not only to reduce the impact of COVID-19, but also to ensure resilience to other shocks such as climate and weather-related shocks, which are likely to increase in frequency and severity over coming years. COVID-19 will exacerbate the impacts of a legacy of a steady decline over the last decade in both the amount of Official Development Assistance and in spending by the international military. For example, a significant economic shock was caused by the phased departure of over 114,000 international troops since the peak in 2010. The troop drawdown, for example, resulted in the loss of an estimated 50-60,000¹⁷ skilled and semi-skilled support jobs. The immediate impact of both of these factors was a severe slow-down in economic growth from 2012 to 2014 as responsibility for security was handed over to Afghan forces. One of the other consequences was a sharp rise in the rate of emigration from Afghanistan to European countries which continues today. It also led to a significant increase in the level of conflict with the Taliban capturing a provincial capital in north-eastern Afghanistan in 2015 for the first time. After experiencing a highly erratic GDP growth rate for a few years, GDP growth had stabilised at around 2% growth per year 10 years prior to COVID-19.

The disruptions caused by COVID-19 on regional and international supply chains and the eight-week long quarantine measures implemented in the months of April and May by the Government of Afghanistan, negatively impacted GDP growth in the first and second quarters of 2020

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

COVID-19 has had a significant impact on trade. Afghanistan's exports dropped to just US\$ 32.7 million from a reported \$204 million at the beginning of 2020. With an adversarial trade situation, especially considering the bilateral relations between Afghanistan's immediate trade partners, Iran and Pakistan, the recovery of pre-pandemic export levels may not be possible in just one or two years. This will negatively affect and

14. UN-Habitat Urban Indicator Database, 2020. CCSA (2020), How Covid-19 is changing the world: a statistical perspective.

15. National Geographic, 8 April 2020.

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

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

further expand the demand-supply gap in Afghanistan with repercussions for almost every economic actor in agricultural supply chains, farmers, processors, and consumers. Also, price inflation has almost doubled, therefore reduced Afghanistan's competitiveness for exports.

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

SDG 11. Sustainable Cities

UN-Habitat underlines that over 90% of COVID-19 cases are happening in urban areas. With over one billion people living in informal settlements and slum-like conditions, COVID-19 is also exacerbating the vulnerability of these population groups. Investing in environmental health, access to water and improved air quality emerge as priority areas for Afghanistan's recovery from COVID-19.

Scientists warn that polluted cities such as Kabul may have higher mortality rates from COVID-19, since there would be more people with underlying health issues. Scientists also believe viruses may bond with pollution particles, enabling them to remain in the air longer and helping them make their way into the body.¹⁵

As highlighted by the OECD¹⁶, while measures undertaken in response to the COVID-19 pandemic help improvement in outdoor air quality, at the same time, confinement measures can result in increased exposure to indoor air pollution. This is particularly relevant for Afghanistan where many people still rely on polluting fuels for cooking stoves, lighting, and heating. In addition, housing conditions tend to be crowded.

Furthermore, indoor air pollution is an issue for buildings and small shops lacking, or with poor, ventilation systems. Circulation of people in buildings with poor ventilation, including hospitals, can also facilitate the spread of COVID-19 and other viruses.¹⁷

SDG 16: Peace, Justice and Strong Institutions

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

Conflict and access to healthcare (SDG-16.6): Even though the government's ability to deliver basic healthcare services has improved over the last decade, its capacity is still weak. As the Public Services Index (PSI) shows, despite the progress made, Afghanistan was still the worst performing country out of total of 176 countries assessed in 2018. On top of this, the Government has been unable to reach many conflict-affected regions to help with COVID-19 testing and treatment.

Afghanistan was still the worst performing country out of total of 176 countries assessed in 2018. On top of this, the Government has been unable to reach many conflict-affected regions to help with COVID-19 testing and treatment. COVID-19 will have stretched what capacity there is and so a significant injection of funding and intensive capacity building programme will be needed for the health system to regain lost ground after COVID-19.

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18. the median age in 2019 was 18.4 years, and the unemployment rate for youth in 2018 was 17.7%

capacity building programme will be needed for the health system to regain lost ground after COVID-19. With this in mind, the Government should now probably consider including in the list of A-SDG targets and indicator, A-SDG-16.6.2: 'Proportion of the population satisfied with their last experience of public services' as this indicator was excluded from the 2019 list.

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

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

Although the Government of Afghanistan committed itself to a radical program of reform to curb corruption and reform the public sector, graft and large-scale corruption are still biggest challenges to Afghanistan stability and peace. The Afghan state continued to conduct Presidential, parliamentary, and provincial council elections; however, the results of these elections are believed to be decided through corruption, patronage and clientelism. Despite continued promises of reforms in the civil service, appointment of key civil servants and public officials are influenced by networks of patronage and clientelism not through competency-based recruitment procedures and practices.

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

5. Policy response

As the pandemic hit hard on the Afghan economy, trade and transportation have been disrupted and domestic activity slowed sharply, imperilling the livelihood of thousands of Afghan families. Border closures and panic-buying led to a temporary spike in prices of some food products.¹⁹

Since the first case in February, the central government has been working to stabilize market prices by protecting food supply into the country and reopening borders for supplies. In March, the government announced restriction on movements and social distancing regulations which were followed by a nation-wide lockdown. The Ministry of Public Health assigned several state-owned hospitals across the country as intensive care units and COVID-19 testing centres. In April, the government opened national food reserves for public use and experimented with distribution of wheat in West Kabul. In May, the government started a national program to fight hunger that led to distribution of over 100 million units of bread through local bakeries across the country. In the meantime, charity foundations, celebrities, private sector firms and NGOs started distributing food and medical supplies across the country.¹⁴

19. IMF Policy Tracker (2020); <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

The severity of COVID-19 impacts is strongly influenced by pre-pandemic factors, many of which are at the heart of the SDGs. These include both positives and negatives. For example, pre-pandemic progress on access to healthcare (A-SDG-3) and education (A-SDG-4) will support a faster recovery. However, access to clean water (A-SDG-6) is a pre-requisite for being able to handwash frequently; living in substandard, unsanitary and overcrowded housing conditions (A-SDG-11) increases the risk of exposure to COVID-19; and pre-existing health conditions such as non-communicable diseases (A-SDG-3) tend to worsen disease outcomes.

The Citizens' Charter is the primary vehicle through which the Government planned to increase access to potable and clean water and sanitation through rebuilding of infrastructure and other facilities at the community level. There is, however, a caveat. The Charter only provides block grants while most of the planning and prioritizing is carried out at the community level. Thus, the alignment between Citizens' Charter and SDG3 and SDG6 targets was very low because there was no measurable outcome that directly contributed to any of these SDG targets. The Community Development Councils (CDCs) may prioritize anything but water and sanitation from a long list of options given to them. It is hard to measure the contribution of a bottom-up planning approach without taking stock of the existing projects already planned and being implemented by the communities themselves. Only then it is possible to show how much resources are committed and expended on water and sanitation where they are needed the most.

Below sections discuss potential avenues to mobilize additional revenue based on modelling simulations.

5.1. Main Analytical Results

This section quantifies the adverse impact of COVID-19 on SDGs starting with direct impact on 3 SDGs related to poverty, food security and health, as well as indirect impacts such as significantly reduced economic access to food (SDG-2.1) for the most vulnerable groups due to income loss (SDG-10.1 & 10.2.1) and higher food prices (SDG-2c) caused by the pandemic despite sustained agricultural growth in 2020 (5% from previous year).

Potential impacts of policies aiming at SDG attainment can be most usefully approximated through projections of selected SDG indicators based on the availability of funding. In this perspective, we make two hypotheses: (i) if the funding as estimated by the MoEC in 2015 for SDGs attainment is available (\$300million/year), the target will be reached for this particular year; (ii) good governance (SDG16) is key both in achieving SDGs as well as immediate interventions to combat the pandemic. It is owing to these two hypotheses that our approach is a holistic one that links policies regarding response to the pandemic policy with longer-term development policies within the framework of the SDGs.

Policy recommendations from our analysis are based on a holistic approach of analysis of policies investing in infrastructure or social policies, as well as funding issues around SDG attainment, that were aggravated by COVID-19 pandemic. To assess the possibility of recovering from the adverse impact of COVID-19 on SDG attainment, first, we quantify the need for funding based on direct and indirect impact of COVID-19 on SDGs (using cross-elasticities and gap analysis methods). Second, we propose alternative policies for filling the funding gap (using the CGE analysis).

The first two UNDP Country Notes of this kind of consisted economy-wide analysis using the A-GTAP (Afghanistan – Global Trade Analysis Project model) had estimated the economic impact of the pandemic based on the infection transmission scenarios developed by the MoPH. Under the Medium Transmission scenario of the virus (around 190,000 cases), our economic impact analysis suggested for 2020:

- A decline in GDP by around 6%
- A 13 percentage points increase in the Poverty rate (from 55 percent and 68 percent)

An additional contraction in the economy of around -2% GDP if the cost of combatting the pandemic \$250 million is funded from the current government budget by cutting other expenditure items (cost estimated by MoPH as additional beds, equipment, and personnel etc.)

20. Accessible from <https://bit.ly/31TMxRK>

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

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

Table 2 also displays select SDGs' evolution based on statistics from national and international resources. The first (3) columns on the left refer to the definition and description of the SDG targets. The 4th, 5th, and 6th columns describe respectively the SDG indicator, data source and their baseline defined by Afghanistan's adoption of SDGs in 2015. Column (7) shows the latest value of the target before the Pandemic and Column (8) in 2020 where the pandemic hit Afghanistan. Column (9) is the difference between columns (8) and (7) that corresponds to the impact of COVID-19. Column (10) accounts for SDG policies (such as target 1.a. "development of an appropriate policy framework") and shows how COVID-19's adverse impact is alleviated through policy improvement, although COVID-19's impact across targets is negative (the policy impact is calculated for targets 2.2, 2.3 and 2.4 by applying cross-elasticities to SDG targets on which we have robust statistics, specifically targets 1.2 and 2.1). In other words, pandemic's impact on targets 1.2 and 2.1 allow to estimate the impacts on targets 2.2, 2.3 and 2.4, using econometrically estimated coefficients from the SDG cross-elasticities matrix.

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

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

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

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

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

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

| | | |
|---------|--|--|
| Legend: | <div style="display: flex; justify-content: space-around;"> <div style="width: 20px; height: 10px; background-color: #d9ead3; border: 1px solid black;"></div> Adversely affected by COVID19 </div> <div style="display: flex; justify-content: space-around;"> <div style="width: 20px; height: 10px; background-color: #d9ead3; border: 1px solid black;"></div> Positively affected by COVID19 </div> | <div style="display: flex; justify-content: space-around;"> <div style="width: 20px; height: 10px; background-color: #d9ead3; border: 1px solid black;"></div> * UNDP estimations using cross-elasticities </div> <div style="display: flex; justify-content: space-around;"> <div style="width: 20px; height: 10px; background-color: #d9ead3; border: 1px solid black;"></div> ** UNDP estimations using cross-elasticities and fiscal projections third of mining and border VAT revenues </div> <div style="display: flex; justify-content: space-around;"> <div style="width: 20px; height: 10px; background-color: #d9ead3; border: 1px solid black;"></div> *** UNDP simulations using A-GTAP model and cross elasticities </div> |
|---------|--|--|

As per a recent IMF study²² on the macro-economic cost on conflict, improved peace conditions and regional cooperation would benefit both Afghanistan and its trade partners. By incorporating IMF projection into the UNDP multi-country model (A-GTAP model) we estimated the peace dividend of trade on growth.

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

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

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

Source: UNDP simulations using A-GTAP CGE model

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

6. Conclusions

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

Lessons learnt from COVID-19 need to be analysed aiming to shape the future policy for health system strengthening and serviced delivery in the country. This will include, but not limited to lessons learnt on governance of healthcare, especially at community level; health service delivery; availability of pharmaceuticals and essential supplies; human resource for health; health financing; and health information system. A form of social insurance (as being considered by the Government) or mutual aid insurance for the poor could have a significant impact on health outcomes in Afghanistan.

Reforms should prioritize reinforcing the link between Health System (SDG-3) and Strong Institutions (SDG-16) to be better prepared for a potential second wave of Coronavirus pandemic or similar public health emergencies.

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

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

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

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

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

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

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

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

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

Some pre-pandemic policies that never were or are no longer optimal from society's point of view need to be discontinued, and the saved resources are reallocated to a carefully calibrated stimulus package. Reducing waste and allocating it for purposes that favour all Afghan citizens, safeguarding activity levels and livelihoods, would contribute to reducing suffering and social tensions. It would improve expectations about the future and could set the stage for trust-building measures. These bold policy actions from the Government are particularly important considering the forthcoming donor conference in fall 2020.

Pointing to credible progress made on all the above points and on SDGs, the government can turn to donors to raise their contribution, in the knowledge that it would more effectively contribute to sustainable development. Based on this background, section 6.1. summarize UNDP's offer to the Afghan Government.

6.1. UNDP Offer

The UNDP has engaged in supporting health sector in Afghanistan under its Social Protection umbrella program. UNDP is repurposing and mobilizing funds to support Afghanistan's initial national response, prevention and mitigation activities, and preparation for longer-term development interventions in subsequent phases. UNDP already provided personal protective equipment (PPE) and other health supplies. In the beginning of the pandemic, the UNDP established 15 fixed health centres and 11 mobile health teams, and 2 home follow up teams—which significantly expanded prevention, diagnosis, and management of COVID-19. In addition, the UNDP established fixed centres and rapid response teams aiming to focusing on increase risk communication, contact tracing, case detection and home based care follow up in Kandahar, Jalalabad and Herat through the Rapid Response Fund; two mobile teams and one fixed health centre for COVID-19 in each of the above three provinces. With the recent policy change related to COVID-19, the MoPH considers home based care as an initial intervention for fight against COVID-19. Continuing its initial support, UNDP will assist MoPH in covering populated areas of Kabul city for home based. UNDP also supports MoPH in minimizing the risk of COVID-19 on provision of TB, Malaria and HIV/AIDS related services. In addition, to expand diagnostic capacity of the MoPH for COVID-19 response, UNDP supports MoPH in expansion of lab network to provinces.

In partnership with Ministry of Interior Affairs, UNDP is operationalizing five new hospital facilities to quarantine, isolate, and treat infected Afghan National Police personnel. These hospitals will receive health equipment

and medical supplies and comprise some 300 beds, with quarantine facilities and intensive care units, across five provinces.

UNDP will continue to support the MoPH in strengthening healthcare system ensuring strong and resilient institutions for health in Afghanistan.

UNDP will also continue to provide direct support to the government in achieving the A-SDGs. This integrated policy support will build on the success of and take forward joint work with the government on building institutional capacity and infrastructure for achieving the A-SDGs. Laying the ground work for building a financing ecosystem for Afghanistan, integration of the A-SDGs into the national planning and budgeting processes and development of a robust, integrated monitoring and reporting mechanism for the A-SDGs are the main thematic areas of the support.

Appendix A: SDG Targets and Indicators

a. SDG1 - Poverty

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

b. SDG2 - Food Security

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

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

c. SDG3 - Health

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

d. SDG16 - Peace, Justice, and Institutions

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

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

Source: IGES (2017)

Appendix B: SDG Cross-linkages

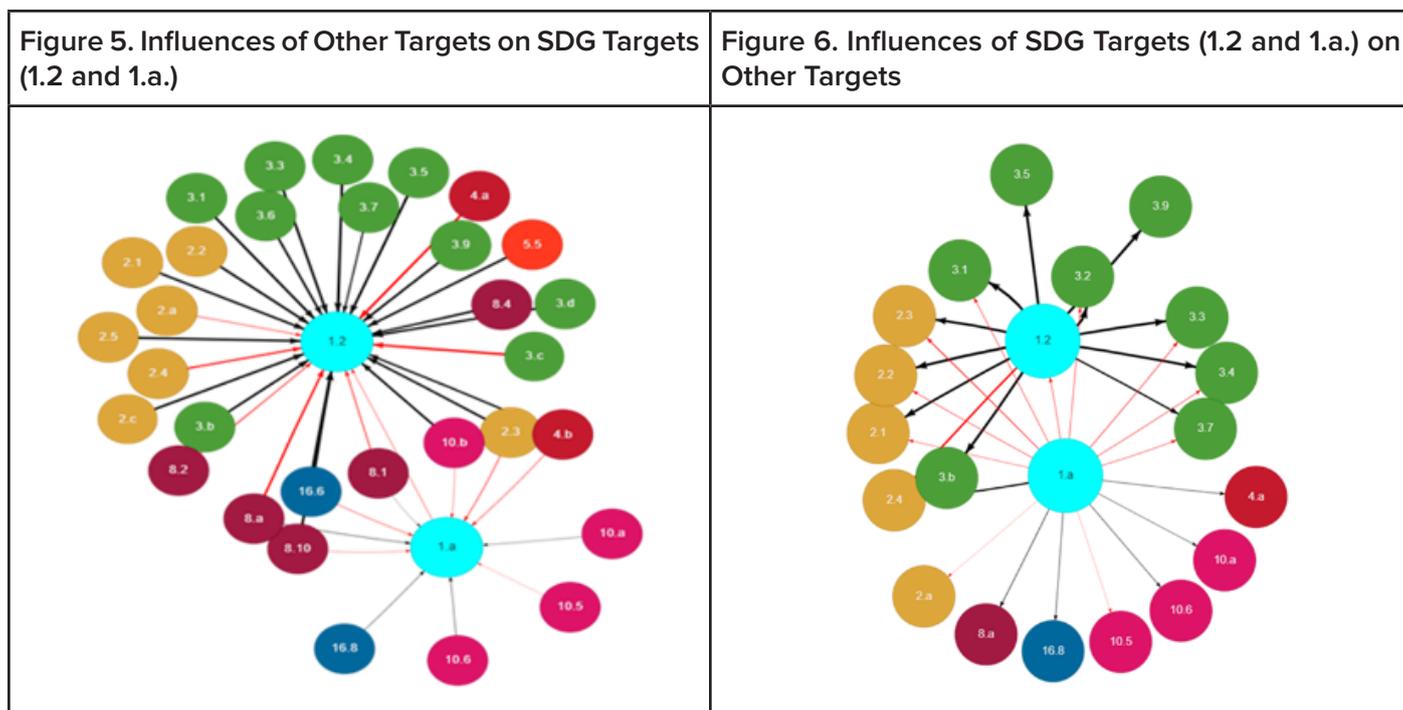
SDGs comprise a set of 17 Sustainable Development Goals (SDGs) and 169 associated targets. These 17 goals and associated targets inherently interlink with one another. Policies and projects developed for achieving a specific goal may be mutually reinforcing or contradicting the achievement of another goal. The matrix in this analysis was developed by the IGES and Ministry of Economy in 2017. This analytical tool offers a good opportunity to develop an integrated analysis, to scale up synergies, and minimize trade-offs in Afghanistan. This interconnected nature of the SDG targets has prompted several key scientific and policy researches aimed at understanding, visualizing, and quantifying these interlinkages for better integration and policy coherence. While most researchers have largely focused on using qualitative and semi-quantitative methods to help interpret and visualize these interferences, the Institute for Global Environmental Strategies (IGES) offers by far the most comprehensive analysis of SDG interlinkages using Social Network Analysis and indicator-level time-series data. Additionally, IGES has created dashboard matrices for most of the developing countries in South Asia, including Afghanistan. This section relies on the IGES-developed dashboard matrix for Afghanistan and adapts it to analyse the Afghanistan SDG interlinkages in an effort to assess the cascading effects of COVID-19 on ASDG targets in the later sections of this report.

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

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

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

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



Appendix C: Funding Gap Analysis

In 2018, the Ministry of Economy, supported by UNDP, helped the SDG implementing Government agencies to conduct funding a gap analysis for their A-SDG targets. These A-SDG targets were clustered across eight different but interlinked budgetary sectors and the additional fund-ing needs A-SDG targets were identified by each implementing Government agency. These entities used their current budget allocations as baseline for estimating how much additional funding was required to implement large-scale projects in each target area—not the full attainment of the targets.

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

Appendix D: A-GTAP CGE Model Simulations

A-GTAP Afghanistan CGE economic model identifies what the best leverage points might be to create additional revenues in Afghanistan for SDG attainment and recovery from the Pandemic. Table 4 (below) displays the impact of an increase in Afghanistan’s demand for imported products, its combined effect with GDP growth in Afghanistan’s main trade partners such as Iran and Pakistan boost the trade flows between these three countries and beyond.

Table 4. Enhanced Trade Flows by Country Following 4 Years of Peace

| % Change in Aggregate Imports (in Volume) | |
|--|---------|
| 1 Afghanistan | 11.0901 |
| 2 Rest of South Asia | -0.1566 |
| 3 Iran | 1.3835 |
| 4 Kyrgyzstan | -0.0756 |
| 5 Tajikistan | -0.0046 |
| 6 Kazakhstan | 0.0027 |
| 7 Azerbaijan | -0.0030 |
| 8 Georgia | 0.0104 |
| 9 Armenia | 0.0193 |
| 10 Russia | -0.0013 |
| 11 Rest of Former Soviet Union Countries (CIS) | -0.0047 |
| 12 Bangladesh | -0.0216 |
| 13 India | -0.0091 |
| 14 Nepal | 0.2595 |
| 15 Pakistan | 1.6687 |
| 16 SriLanka | -0.0031 |
| 17 Bahrain | -0.0073 |
| 18 Kuwait | -0.0038 |
| 19 Oman | -0.0060 |
| 20 Qatar | -0.0044 |
| 21 United Arab Emirates | 0.0083 |
| 22 Saudi Arabia | -0.0035 |
| 23 Israel | -0.0084 |
| 24 Jordan | -0.0078 |
| 25 Turkey | 0.0077 |
| 26 Rest of Middle East | -0.0056 |
| 27 Egypt | -0.0013 |
| 28 Morocco | 0.0013 |
| 29 Tunisia | -0.0046 |
| 30 Rest of North Africa | -0.0098 |
| 31 China | -0.0049 |
| 32 South Korea | -0.0017 |
| 33 Japan | -0.0113 |
| 34 Malaysia | -0.0040 |
| 35 USA | -0.0178 |
| 36 Mexico | -0.0092 |
| 37 Canada | -0.0049 |
| 38 EU27 | -0.0064 |
| 39 Rest of the World Countries | -0.0073 |

Appendix E: NPPs Alignment with A-SDGs

Table 5. NPPs Alignment with A-SDG targets

NPPs aligned with A-SDG targets

| A-SDGs | G1 | G2 | G3 | G4 | G5 | G6 | G7 | G8 | G9 | G10 | G11 | G12 | G13 | G15 | G16 | G17 | Total |
|-------------------|----|----|----|----|----|----|----|----|----|-----|-----|-----|-----|-----|-----|-----|-------|
| Fully aligned | 1 | 3 | 3 | 2 | 1 | 1 | 3 | 2 | 3 | 1 | 4 | 0 | 0 | 0 | 2 | 3 | 29 |
| Partially aligned | 2 | 3 | 5 | 4 | 3 | 4 | 1 | 5 | 1 | 0 | 4 | 1 | 0 | 5 | 2 | 3 | 43 |
| No coverage | 1 | 1 | 3 | 4 | 2 | 2 | 0 | 3 | 1 | 3 | 1 | 4 | 2 | 4 | 5 | 3 | 39 |



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