



**Islamic Republic of Afghanistan**  
**Ministry of Economy**

# **Poverty Status in Afghanistan**

**February 2016**

# Assessments and M&E of Poverty Status in Afghanistan



# Poverty Alleviation Programs...

1. Afghanistan Living Condition Survey ALCS 2013-2014.
2. Poverty Status Survey.
3. Poverty Level Comparison in the Provinces.
4. Monitoring and Evaluation Policy of the Gov will be focusing on the poverty status and vulnerable areas.



# Poverty Status



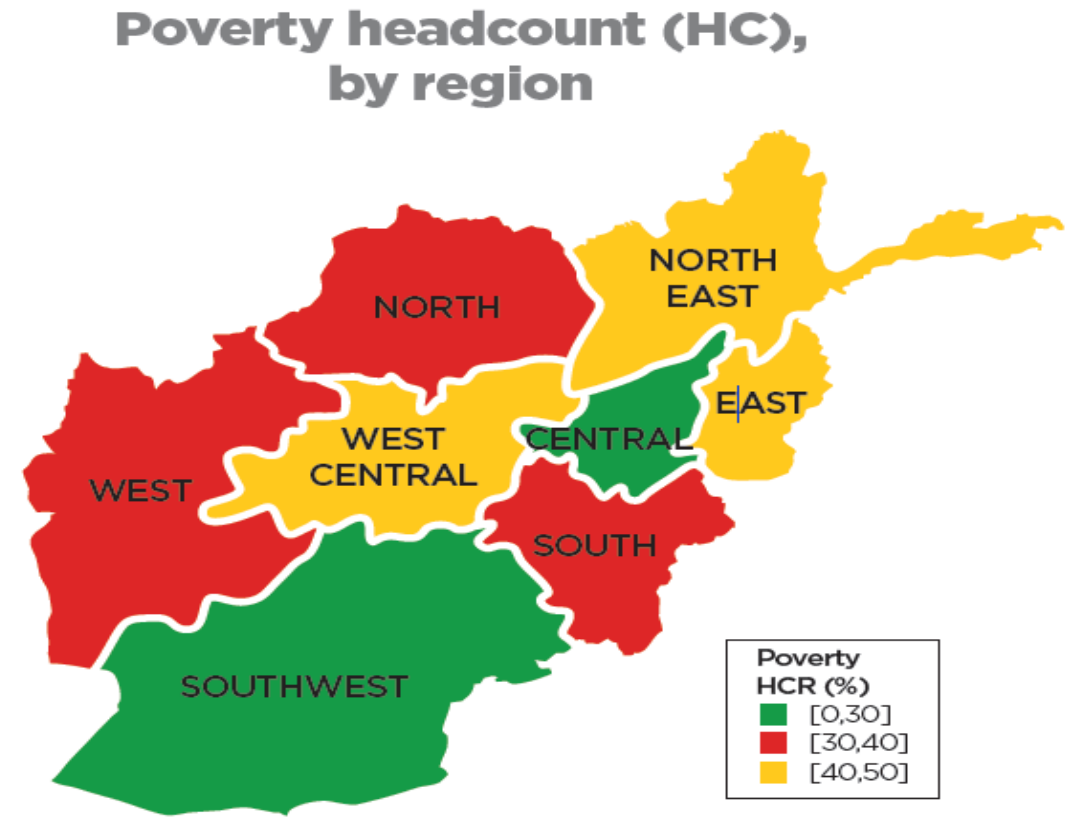


# Poverty Status in Afghanistan: How?

**36 percent** of the population was poor in 2011-12, that is **one in three Afghans** do not have the buying power to satisfy basic food and non-food needs;

**Poverty varies geographically** and it is higher in **rural** and **more remote** areas:

- 4 out of 5 poor live in rural areas.
- Half of those who live in East, Northeast, Westcentral regions are poor.



Source: Authors' calculation using NRVA 2011-12.

# Main Causes Of The Poverty



# Poverty is associated to several vulnerabilities:



- Poor people **lack education** and are employed in **vulnerable jobs**
  - Only 24 percent of poor people older than 15 can read and write
  - 84 percent of poor are employed in informal jobs that do not allow for long-term planning or even short-term stability
  - 43 percent of poor are employed in agriculture and potentially exposed to weather related shocks.
- Poor people have **limited access to basic services**
  - 64 percent of the poor have electricity.
  - 40 percent of the poor can access safe drinking water.
  - Only 3 percent of poor have access to improved sanitation
- Poor people are particularly vulnerable to **natural disasters** and more likely to suffer negative consequences from shocks.



# Why Poor did not benefit from fast growth?

- **Poorest and most vulnerable regions did not grow eco...**
  - *International spending was not equally distributed and it benefitted some areas more than others;*
  - *Poorest East, North East and West Central regions did not benefit from growth and remained vulnerable to negative impact of natural disaster*
- **Poor did not have education/skills necessary to take advantage of better job opportunities**
  - *Low skilled daily labor did not provide escape from poverty due to the poor quality and temporary nature of these forms of employment; and*
  - *Jobs in agriculture were lost due to natural disasters (drought) and limited investments in the sector*



# Other Challenges

1. 400,000 New job seekers enter into the labor market / year.
2. Internal Displacement for various reasons (security-natural disa).
3. Droughts is a serious threat in the country (14 out of 34 suffer)
4. Natural Disaster is another challenge in the country.
5. 1/3 of the Afghan Population suffers from food security.
6. 9.3 Million of the total population is poor.



# Government Poverty Alleviation Programs



# Poverty Alleviation Programs

1. National Agenda for Poverty Alleviation just started by the gov.
2. Aid Effectiveness Reform in Afghanistan.
3. Public Financial Management Reform.
4. Capacity Building of Poor by National Agenda and ISLA Project.
5. Zafaran is a country wide project for poverty reduction.
6. Jobs for Peace Poverty Alleviation Program by the gov.
7. Establishing New Economic Zones (8-Airfields bases).
8. PPP Implementation Program - to increase jobs.
9. AACRS Austrian Community Strengthening Projects.
10. Agriculture Strengthening Program by USAID – SOUTH



# Poverty Alleviation Programs...

1. Social Safety Net Program by the Gov for the extreme poor and vulnerable people.
2. Involving NGOs in the poverty alleviation programs.
3. Labor Skills Development by KOICA Institute.
4. Market Assessment and Skilled Worker and Unemployed Rate.
5. Strategy, how to stop human migration in Afghanistan (internal displacement and migration).



(1)

# Microfinance Program for Poverty Alleviation



# Microfinance Program for Poverty Alleviation

*Microfinance Investment Support Facility for Afghanistan* is a successful program for the poverty alleviation in the country. The creation of a microfinance sector in 2003, following the fall of the Taliban, was initially driven by its significance as a social protection measure. Millions of Afghan refugees were expected to stream back into the country and at that time, the government was in its nascent state, without the capacity yet to create jobs and provide public services.



(2)

# National Skills Development Programs





# National Skills Development Program (NSDP)

The National Skills Development Program (NSDP) is a National Priority Program announced by His Excellency the President of Islamic Republic of Afghanistan in April 2004 in Berlin, Germany.

The overall goal of NSDP is to contribute to the socio-economic recovery of Afghanistan through the development of national Technical and Vocational Education and Training (TVET) system that is responsive to labor market needs and that provides Afghan women and men with the knowledge and skills for decent work.





# National Skills Development Program (NSDP)

**Skills development can have multiple meanings as it includes wide ranging elements. In broad terms it includes:**

- **Basic education**, by ensuring each individual the development of their potential and laying the foundation for employability;
- **Initial training**, by providing core work skills and the underpinning knowledge;
- **Industry-based and professional competencies** that facilitate the transition into the world of work;
- **Lifelong learning**, by ensuring that individuals' skills and competencies are maintained and improved as work, technology, and skill requirements change.

(3)

# National Solidarity Program for Poverty Alleviation





# National Solidarity Program (NSP)

**NSP** was created in 2003 by the Ministry of Rural and Rehabilitation Development (MRRD) to develop the ability of Afghan communities to identify, plan, manage and monitor their own development projects. Through the promotion of good local governance, the NSP works to empower rural communities to make decisions affecting their own lives and livelihoods.

Empowered rural communities collectively contribute to increased human security. The programme is inclusively supporting all of the communities including the poorest and vulnerable people. NSP strongly promotes a unique development paradigm, whereby communities can make important decisions and participate in all stages of their development, contributing their own resources.

Community Development Councils (CDCs) through a transparent and democratic process can oversight and benefit from the projects implementation.



# National Solidarity Program (NSP)

**More than 76%** of rural communities have been mobilized, and 31,245 have elected local councils to represent themselves. These Community Development Councils (CDCs) have prioritized needs and planned, managed, and monitored over 72,266 subprojects made possible by block grants that have already supplied. More than USD 1,212 million to community-driven rural reconstruction and development. In this process, NSP has led the new nation's 'reach' to rural communities and laid the foundations for inclusive and progressive local governance in almost 390 districts and every province of Afghanistan



# National Solidarity Program (NSP)

The key objective of NSP is to build, strengthen and maintain Community Development Councils (CDCs) as effective institutions for local governance and social-economic development.

- **1.6 billion USD** spent by NSP program in the past 8 years.
- **55000** projects implemented under this program.
- **27600** small projects are planned to be implemented in the rural villages, the budget for this plan is **900 mln USD**.
- Over the next 2.5 years, MRRD will carry the program and its block grants to 95% villages in the country,
- 13,858 new CDCs established all over the country.
- 11,800 CDCs will be established in the next phase.

(4)

# On-Farm Water Management





# On-Farm Water Management

Afghanistan has a semi arid to sub-humid climate with high inter-annual variation of precipitation. Therefore, irrigation is essential for production of all summer crops. Irrigation has a long tradition in Afghanistan, and utilizes a number of sophisticated methods, such as Karez irrigation. Currently, we have only 1.8 million hectares ready for being irrigated.

## **Objectives of the Project:**

- To improve food security and livelihoods of rural communities of 5 northern provinces (Baghlan, Kunduz, Takhar, Sar-ePul, Samangan) by promotion and expansion of improved irrigation schemes.
- To enhance agricultural production and productivity by introducing farmer friendly techniques for water use efficiency improvement and farm-based water irrigation management.



# Thanks For Your Attention

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