



©IFAD/Melissa Preen

# Investing in rural people in **Afghanistan**

Afghanistan is a landlocked country with mountainous terrain and a population estimated at around 38 million in 2020 (Worldometers, 2020). Its tough landscape and frequent natural disasters present a challenging context to a country already struggling with its political environment and in the midst of conflict and instability.

In Afghanistan, a low-income country with a GDP of US\$19.1 billion and GNI per capita of US\$540 in 2019 (World Bank, 2020), international aid continues to finance 75 per cent of public expenditures. The post-conflict reconstruction process, financed largely by foreign aid, shifted the economy away from agriculture and towards the services sector. Currently, the services sector accounts for 50 per cent of GDP, followed by agriculture, which contributes about 25 per cent.

Agriculture remains the foundation of Afghanistan's economy and employs 40 per cent of the national labour force. Almost 70 per cent of the rural population depends mostly on agriculture. The crops are mainly rainfed, which makes agricultural output and GDP growth highly volatile and weather-dependent. Crop agriculture is constrained by poor irrigation, and irrigated land is particularly limited in the north of the country. Livestock products, which contribute more than 50 per cent of agricultural GDP, have fluctuated widely owing to precipitation levels and droughts. Rangeland is overgrazed, and nomadic and semi-sedentary shepherds are experiencing high livestock mortality rates.



**Total number of Projects: 4**  
**Total cost: US\$578 million**  
**Approved financing from IFAD: US\$202 million**  
**Directly benefiting: 325,000 rural households (2.33 million people)**

In rural communities, the lingering impact of drought, combined with years of conflict, widespread displacement, exposure to flooding and the subsequent interruption to agriculture, has resulted in high levels of hunger and malnutrition. Amid the COVID-19 pandemic, 25 out of 34 provinces are currently above the emergency threshold for acute malnutrition.

## Eradicating rural poverty in Afghanistan

In the second Afghanistan National Peace and Development Framework (ANPDF II) 2021-2025, the Government of the Islamic Republic of Afghanistan aims to achieve self-reliance and increase the welfare of its people. The plan identifies three broad objectives – peace-building, state-building and market-building – in order to assist the country in its transformation.

The government's goal is to generate higher incomes in rural areas (including those that have borne the brunt of conflict), substitute for imports, reduce poverty and create jobs by accelerating the development of agriculture and irrigation and the growth of agribusiness and agro processing. In line with this goal, the government also formulated its Greener Agricultural Development (2021-2025) approach to address policy and regulation, access to finance, agro-industrial development and institutional reform to boost job-rich growth, increase investments in agribusiness, expand exports and substitute imports. In addition, a Famine Action Mechanism was established in 2019 to tackle water scarcity, food security and famine risk in Afghanistan.

Dealing with the pandemic, the government aims to (i) continue to respond to the shocks faced by the most vulnerable citizens because of COVID-19; and (ii) support the Afghan people in becoming more shock-proof by building resilience among poorer households in rural areas.

However, years of conflict, drought, floods and now the ongoing COVID-19 pandemic bring unprecedented challenges for achieving these goals. The United Nations supports the government by delivering together to achieve the government's goals and the 2030 Agenda. The United Nations Sustainable Development Cooperation Framework is under development in Afghanistan. It will be in line with country priorities and the Sustainable Development Goals (SDGs), and will be critical to Afghanistan's achievement of SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

## IFAD's strategy in Afghanistan

IFAD started its first intervention in Afghanistan in 2009 and has shown its continued commitment to the Afghan Government. The overall objective of IFAD's country programme in Afghanistan is to contribute to the country's poverty reduction efforts, reduce gender gaps and improve food and nutrition security through inclusive, climate-smart agricultural and rural development.

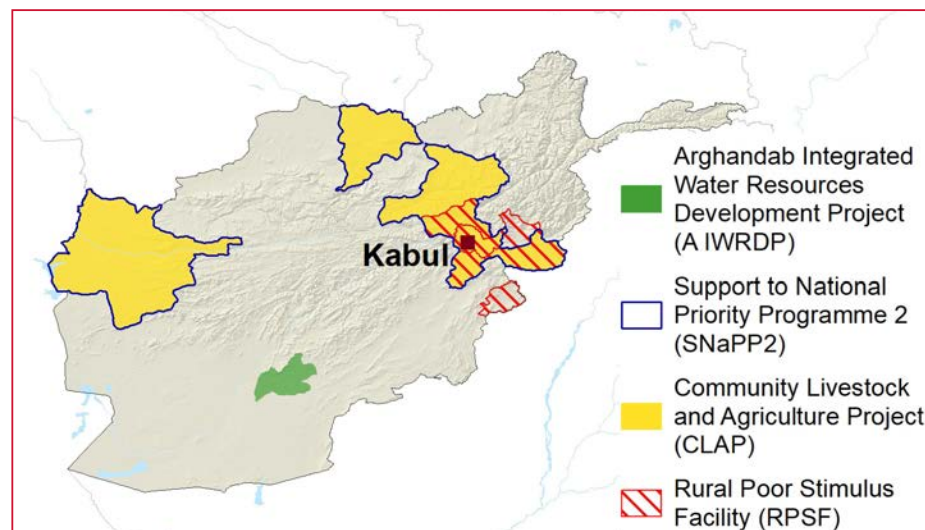
Its specific objectives are:

- to enhance the resilience of poor people's livelihoods to climate change;
- to improve the capacity of small-scale producers to practise climate-smart agriculture and benefit from profitable value chains; and
- to promote an enabling, pro-poor policy and regulatory environment.

IFAD works with small-scale farmers and vulnerable and marginalized socio-economic groups, particularly women and ethnic minorities, in rural and mountain environments. IFAD's current work in Afghanistan takes into account the difficult security situation across most of the country.

Key intervention domains will include climate-smart smallholder production and value chain development, marketing support and the promotion of on-farm and off-farm economic opportunities for poor and vulnerable rural women and men, and youth; measures to address gender inequality issues will also be specifically considered and promoted.

## Ongoing operations



### Arghandab Integrated Water Resources Development Project

The goal of this project is to increase employment opportunities for the target population and stimulate GDP growth, mainly through the management and use of water resources in the Arghandab River basin. The project's target area is the pre-defined command area of the Arghandab irrigation system, which covers a total area of 115,000 ha (of which about 54,083 ha is irrigated) served by 120 community irrigation systems.

Focusing on the province of Kandahar, the project aims to reach as many poor people as possible, as efficiently as possible. It will primarily target 36,000 small-scale farmer households (approximately 324,000 people, with special attention given to women and youth) located in the Arghandab river sub-basin. The project will also support the formation of farmer organizations and water user associations as community institutions.

The total cost of the project is US\$395.93 million, with IFAD providing a grant of US\$40 million. Cofinancing is provided by the Asian Development Bank (US\$348.78 million) and the Afghan Government (US\$4.26 million); beneficiaries' in-kind contributions will total US\$2.89 million. The project began in 2019 and will run until 2026.

### Support to National Priority Programme 2

The goal of the programme (SNaPP2) is to contribute to improving the food security and economic status of poor rural households. It also aims to promote institutional development and capacity-building of community organizations, public extension services and relevant private sector entities, and to increase the incomes of small-scale farmers and herders, in part through improved productivity, infrastructure and market links. The programme covers selected districts in the provinces of Baghlan, Balkh, Herat, Kabul, Logar, Nangarhar and Parwan, and is expected to reach 57,000 households (427,500 people).

SNaPP2 began in 2015 and will run until 2022. The total costs are US\$55 million, with IFAD financing amounting to US\$48.5 million and US\$6.3 million in domestic cofinancing.

## Community Livestock and Agriculture Project

The project covers the seven selected provinces of Baghlan, Balkh, Herat, Kabul, Logar, Nangarhar and Parwan. Its objective is to improve the food security of about 223,000 poor rural households by increasing agriculture and livestock productivity and reducing gender disparities.

To achieve this, the project focuses on enhancing productive assets, skills, services, technologies and income opportunities in the targeted households. In addition, CLAP aims to strengthen some weak areas of the value chain, including small-scale farmers' links with markets. The target group consists of small-scale farmers and livestock-keepers, including landless households; women and female-headed households; and resettled and nomadic Kuchi people.

The project is organized around three mutually reinforcing components:

- community development, including improving infrastructure and building the capacity of local communities and institutions;
- livestock and agriculture development, with a strong emphasis on women and other vulnerable and marginalized segments of the rural population; and
- project management, policy support and a young professionals programme.

The project began in 2013 and is intended to run until June 2022, with potential for extension. The total cost is US\$93 million, of which IFAD is providing US\$84 million.

## Rural Poor Stimulus Facility for Afghanistan

As the COVID-19 pandemic unfolds, IFAD remains deeply concerned about its consequences for the well-being, livelihoods and food security of poor rural people. The COVID-19 crisis could undo the progress the world has made in reducing rural poverty (SDG 1) and threatens to aggravate already declining food security (SDG 2). Given the magnitude of the challenge presented by this crisis, IFAD has launched the multi-donor COVID-19 Rural Poor Stimulus Facility (RPSF).

In Afghanistan, the RPSF aims to maintain asset ownership and productivity by ensuring timely access to key veterinary services and livestock protection packages, as well as providing personal protection equipment, raising awareness and creating pathways for access to markets for those affected by COVID-19 along the dairy value chain. It is expected that, by the end of the project, 75 per cent of the 4,000 households targeted for support will report that their household income and asset ownership have been maintained or improved. The goal of the project is to minimize the impacts of COVID-19 on livelihoods, enhance resilience and increase food security for vulnerable households, primarily by protecting livestock assets and production capacity and facilitating access to markets.

The project will focus on the three provinces of the Central Region – Kabul, Parwan and Logar – which are the original target areas of the Community Livestock and Agriculture Project. However, options will be kept open to follow nomadic migration and trade trails, for example in Khost, Nangarhar and Laghman, which are adjacent to the three selected provinces and where there are high numbers of Kuchis. The target group will be the Kuchi, who include nomadic herders, semi-settled and settled tribes, and small-scale producers and value chain actors in the milk sector.

The project has two main components: provision of inputs and basic assets for production; and facilitated access to markets. It runs from October 2020 to October 2021, with a cost of US\$1.64 million, of which IFAD is providing US\$0.89 million as a grant.

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$22.6 billion in grants and low-interest loans to projects that have reached about 513 million people. IFAD is an international financial institution and a United Nations specialized agency based in Rome – the United Nations food and agriculture hub.

### Contact:

Candra Samekto  
Country Director, Afghanistan  
IFAD – East Asia Sub Regional Hub  
Rm 6-1-101/102 Tayuan DRC, No.1  
Xindong Road,  
Beijing, China 100600  
Tel. +86 10 85328977  
Email: c.samekto@ifad.org



Investing in rural people

International Fund for Agricultural Development  
Via Paolo di Dono, 44 - 00142 Rome, Italy  
Tel: +39 06 54591 - Fax: +39 06 5043463  
Email: ifad@ifad.org  
www.ifad.org

- facebook.com/ifad
- instagram.com/ifadnews
- linkedin.com/company/ifad
- twitter.com/ifad
- youtube.com/user/ifadTV