

## ARTF Strategy Group Meeting

November 5, 2014

### Summary of Discussion

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An ARTF Strategy Group Meeting was held at the World Bank office in Kabul on November 5, 2014 with participation from 12 donor countries, Ministry of Finance and the World Bank to discuss and present the poverty assessment results and preliminary findings of the Bank's analytical work on poverty. The meeting was initiated with a presentation by the Bank's Afghanistan poverty team on the challenges of poverty reduction in Afghanistan.

**Regional Disparities in poverty reduction:** The presentation based on the comparative findings of the 2007/8 and 2011/2 NRVA highlighted wide economic disparities between regions and provinces. Although for several years Afghanistan enjoyed high levels of growth, a reduction in national poverty is not apparent from the survey. It was noted, however, that the North East of Afghanistan has seen the least amount of poverty reduction and when the results for the North East is removed from the survey, a poverty reduction nationwide is observed. It was also noted that due to security constraints, the study could not include provinces experiencing intense conflict such as Helmand and Khost thus these provinces were not included in the survey.

**Influence of Shocks:** During the collection of the 2011-12 NRVA data, Afghanistan was experiencing a year of drought which may have impacted results in areas such as Badakshan which are highly dependent on the agricultural sector. Donors noted that this vulnerability revealed issues relating to the quality of growth and highlighted need to provide social safety nets for those residing in areas where structural or geographic differences inhibit growth. Learning more about the poorest in these localities may also assist in devising strategies to mitigate the volatility of growth.

**Impact of Aid:** Given the regional disparities revealed by the survey, an ongoing analysis of aid disbursement and the incidence of poverty on districts or provinces is being conducted. This could provide a better picture of the impact of aid on poverty levels throughout the country as much of the aid is off budget and needs to be included in the analysis. There is also a need to unpack investments in sectors and capital generating investments versus provision of basic services as services such as education and health are long term investments which will result in reduced poverty over the long term.

**Future Steps:** The next round of data under the NRVA will be available at the end of 2016, under a new title of "The Afghanistan Living Conditions Survey". This coming round of the survey will not include a consumption model. Furthermore, it is expected that provincial poverty briefs will be launched by December 2014. These briefs will provide a clear picture of poverty by province and will be accompanied by a website and tools to visualize data and provincial level poverty.