

Advocacy Paper: Responding to the COVID- 19 Pandemic in Afghanistan with an Unconditional Cash Transfer (UCT)

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Section 1. Who are the most vulnerable amidst the COVID-19 crisis in Afghanistan?

The socioeconomic crisis unleashed by the COVID-19 pandemic has resulted in the World Bank estimating that 93% of the Afghan population – around 35 million people – are now below a poverty line of approximately USD 2 PPP per capita per day¹ (thereupon referred to as the USD 2 poverty line). International actors providing humanitarian and social protection assistance in Afghanistan refer to these 35 million individuals as Population in Need (PIN) and see this group as being particularly vulnerable to economic shocks (UN OCHA 2020).

Evidence on the socioeconomic impact of the COVID-19 pandemic in Afghanistan points to various vulnerable groups that are part of the PIN. Internally displaced people (IDPs) and returnees, households dependent on remittances, vulnerable workers, women, children and people with disabilities (PWD) have been highlighted as having already been particularly vulnerable to shocks before and during this pandemic (UN OCHA 2020; UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming; UNICEF Afghanistan and University of Oxford 2020). Nonetheless, very few groups may be defined as not vulnerable during this health and economic crisis, namely the small minority of wealthy households and civil servants who enjoy higher income security and coverage by existing social protection programmes (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming).

In rough terms, the PIN can be divided into two groups which we, in this document, refer to as: the Extreme Food Insecure PIN (EFI-PIN) and the Least Food Insecure PIN (LFI-PIN) (based on IPC 2020).

According to IPC (2020) and (UN OCHA 2020), the EFI-PIN consist of 40% of the PIN (i.e: 14 million individuals) found to be within food insecurity phases 3 or above according to the Afghanistan's Integrated Food Security Phase Classification (IPC). Protecting the EFI-PIN falls under the core responsibility of the Humanitarian Country Team (HCT)². As per the June 2020 Revision of the Afghanistan Humanitarian Response Plan (2018-2021), to tackle the negative impacts of COVID-19, the HCT is gathering USD 1.1 billion of funding to roll out a Social Safety Net (SSN) that will initially cover 11.1 million of the 14 million EFI-PIN (UN OCHA 2020).

The 21 million individuals estimated to be LFI-PIN, therefore, fall under the responsibility of other players often designated collectively as the Development Cluster (DC), which includes, for instance, UNICEF, and whose mandate includes broader development agendas not limited to humanitarian assistance.

¹ This is based on the estimate that all households have lost up to half of their livelihoods due to the economic shock caused by COVID-19.

² This is composed by different, core institutions working on the humanitarian sector from government, civil society and international organizations including the UN. Cf. (UN OCHA n.d.)

Table 1. Expected poverty rates during the COVID-19 crisis (%)³

Population in Need (PIN) subgroup	Percentage of the entire population of Afghanistan
Least Food Insecure PIN (LFI-PIN)	55.8%
Extreme Food Insecure PIN (EFI-PIN)	37.2%

Source: Author's elaboration based on IPC (2020) and UNICEF Afghanistan.

Thus far the LFI-PIN is currently not eligible for any COVID-responsive assistance planned for the medium- and long term, making them vulnerable to further livelihood loss, which may further aggravate poverty intensity and increase the population in acute humanitarian need (UN OCHA, 2020; communication with UNICEF Afghanistan). To tackle this gap, this paper suggests means to quickly roll out an unconditional cash transfer (UCT) to assist this population and includes ex-ante coverage and funding analyses considering different set-ups this programme can adopt in terms of its eligibility criteria and its benefit formulae.

Of course, the ideal scenario would be to have a UCT that covers all the PIN, regardless of their food insecurity or humanitarian emergency status. But while this does not seem financially viable for the time being, the idea is to cover the PIN who are not eligible to the HCT's SSN. Further, in order to avail a UCT that can be implemented in time to respond to the COVID-19 effects, the proposal that follows here discusses and provides ex-ante coverage and budget estimates for reaching out to the entire LFI-PIN, as well as more selective alternatives that would initially target more vulnerable groups within the LFI-PIN population.

As part of these different scenarios, this paper suggests prioritising the LFI-PIN households with children under 18. It is a stylised fact worldwide that households with children under 18 tend to be more exposed to consumption distress, and that poorer households tend to have more children. On one hand, households with children under 18 should not engage them on paid work since children at this age-group should be afforded the opportunity to fully develop their cognitive skills and, mostly, to pursue their education (UNICEF 2017a; WHO n.d.). On the other hand, households that compromise the educational and cognitive development of their children engaging them on paid work (often at low return rates) normally resort to that as a form of undesirable coping mechanism to deal with scarcity in the first place (UNICEF Afghanistan and University of Oxford 2020).

A forthcoming Needs Assessment analysis elaborated by the IPC-IG in partnership with UNICEF and MoLSA, based on the Afghanistan Living Conditions Survey of 2016 and 2017 (ALCS 2016-17), confirms the above indicated stylised fact (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming). Furthermore, it indicates that households with children aged 14 years old or less face even more consumption stress given the peculiarities of Afghanistan's society (where work from age 14 onwards is legally allowed). And both for households with children aged 18 or less and for households with children 14 or less, the sex of the children represents yet another vulnerability driver. Household with female children face particular vulnerability because the practice of purdah limits girls' access to public spaces, thus limiting their access to education and, once they reach the legal working-age, that also limits their income-earning capacity. As a consequence, households with female children might be more susceptible to undertaking undesirable coping strategies when faced with poverty, like for instance, resorting to child marriage and unpaid family labour (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming; The Government of the Islamic Republic of Afghanistan 2018).

³ The figures in this table are based on the poverty estimates made by the World Bank, in which it was assumed that households lost half of their livelihoods due to the pandemic and raising the poverty line to approximately USD 2 PPP per capita per day and resulting in a poverty prevalence of 93%.

Table 2 indicates the number of households based on the number of children under 18 years, and of female children under the same age. It presents the estimated number of each such kind of household considering the following three scenarios: the total Afghan population; the PIN; and the LFI-PIN. Appendix 1 provides a similar table (Table 5) but considering the number of households with (female) children under 14 years instead of 18.

Table 2. Number of households expected to be covered as per their household composition (1. To 10.) vs their socioeconomic status (i. to iii.). In absolute values and as percentage of the total number of households in Afghanistan.

	i. Total population		ii. Total PIN		iii. LFI-PIN	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage
1. Households with one child under 18	378,287	7.74%	303,100	6.20%	181,860	3.72%
2. Households with two children under 18	588,446	12.04%	494,174	10.11%	296,505	6.07%
3. Households with three children under 18	741,911	15.18%	641,090	13.12%	384,654	7.87%
4. Households with four or more children under 18	2,913,394	59.61%	2,643,486	54.09%	1,586,092	32.45%
5. Households with at least one child under 18	4,622,037	94.57%	4,622,012	94.57%	2,773,207	56.74%
6. Households with one female child under 18	1,224,300	25.05%	1,065,382	21.80%	639,229	13.08%
7. Households with two female children under 18	1,220,390	24.97%	1,085,906	22.22%	651,544	13.33%
8. Households with three female children under 18	884,135	18.09%	795,676	16.28%	477,406	9.77%
9. Households with four or more female children under 18	746,798	15.28%	685,252	14.02%	411,151	8.41%
10. Households with at least one female child under 18	4,075,623	83.39%	4,075,847	83.39%	2,445,508	50.04%

Source: Author's elaboration based on the ALCS 2016-17 adjusted as per population estimates for June 2020 using Flow Minder data reported in IPC (2020).

Note: Estimates calculated based on the following steps. First, the prevalence of each group (1 to 10) was calculated based on ALCS 2016-17 data applying the poverty line of approximately USD 2 PPP per capita per day, assuming as 50% loss of income due to the pandemics. Second, the total population size was expanded using the Flow Minder's population estimated for June 2020, which is the one informing the estimates by the HCT (IPC, 2020).

Section 2. Why employ social protection measures to respond to the COVID-19 crisis? Promoting well-being during and after it

Social protection is key to prevent losses in livelihoods and income and to stimulate economies during the COVID-19 pandemic (ILO 2020). In the Afghan context, this entails ensuring that those who do not receive assistance through the HCT's SSN are provided with a safety net which prevents them from falling (back) into acute humanitarian need. This ought to secure that i) the population requiring humanitarian assistance does not grow; ii) that those who were already poor before the crisis do not increase their

poverty gaps and maximize the chances of intergenerational transmission of poverty; and iii) that those who were not poor before the pandemic do not become poor during this crisis.

For the immediate response to COVID-19, unconditional cash transfers (UCTs) are the most adequate and viable option since they have a direct and immediate liquidity effect and can be delivered through relatively simple and easy to assemble operations (ILO 2020; UNICEF Afghanistan and University of Oxford 2020). Cash transfers may serve to replace or supplement incomes during the COVID-19 crisis and during the economic recovery following the pandemic. Expanding or creating new UCT programs can generally serve to close gaps in social protection coverage, including the gap in coverage of the transient poor and the marginally non-poor observed in Afghanistan prior to the pandemic (ILO 2020; UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming).

In South Asia, all countries but Nepal have expanded or implemented new cash transfer initiatives to address the impacts of COVID-19 (IPC-IG forthcoming). Evidence suggests that cash transfers – especially UCTs - can be seen as versatile social protection initiatives, as these can be applied as long-term social protection programs, but can also be shock-responsive initiatives that can be scaled up for increased coverage to reach populations previously not targeted (horizontal expansion) and increased benefit amounts (vertical expansion) (ILO 2020; Roelen, Longhurst, and Sabates-Wheeler 2018; UNICEF Afghanistan and University of Oxford 2020).

Although, in the very beginning, it is likely that social protection responses to COVID-19 might target the LFI-PIN (since the EFI-PIN should be covered by the HCT's SSN) with a high tolerance for 'inclusion errors', if these responses become institutionalized in the mid-to-long term, they should evolve to have a more precise targeting while also enhancing their linkages to the Humanitarian responses and ensuring that those who have been supported by the HCT can be supported by the DC once they 'graduate' from EFI-PIN to LFI-PIN (UN OCHA 2020).

The short-term goal of the UCT we propose for the Afghani LFI-PIN would be to protect this group from consumption deprivation that might lead to food insecurity as per IPC food insecurity phases 3 or higher and trigger humanitarian crisis. It would also play the role of preventing households from undertaking undesirable coping mechanisms (like selling their sole capital or compromising the educational and cognitive development of their children by neglecting minimum nutritional needs at critical ages, engaging them on vulnerable works, child marriage, etc.) (UNICEF Afghanistan and University of Oxford 2020; UN OCHA 2020). From a macroeconomic and local-level perspective, a UCT for LFI-PIN could also have a liquidity effects and prevent markets from collapsing irreversibly and, therefore, making that even more persons become poor (ILO 2020).

If this UCT goes beyond an emergency program and becomes institutionalized, it would probably have to refine its targeting in order to be progressive and financially sustainable, and possibly to also reduce benefit values as the poverty gap reduces. A regular UCT derived from our proposed emergency program could undergo design tweaks to build links to other programs and services to harvest effects on several areas where UCTs have proven to generate desirable outcomes elsewhere, like for instance: school attendance and performance, nutritional and health status (including maternal and infant health), female empowerment and even the improvement of conditions at local markets and macroeconomic level (Lomeli 2008; Roelen, Longhurst, and Sabates-Wheeler 2018; UNICEF 2017b).

It seems like the institutionalization of a program derived from the emergency UCT we are proposing could fill a notorious gap of social protection coverage in Afghanistan. Despite important local level cash transfers, humanitarian relief initiatives and some discontinued initiatives in the past, to the moment there is no flagship, all-country level, regular cash transfer. The closest Afghan initiatives to the UCT we propose here are the Martyrs and Disabled Pension Program (MDPP) and the Citizens Charter National Priority Program (CCNPP). The former, however, is more like a hybrid of UCT and semi-contributory

pension scheme, since it covers mostly persons affected by conflicts, with a strong focus on armed forces and family of martyrs. The latter, by its time, is heavily based on local level philanthropy and has still a limited coverage since it is seen as a compensation for households that cannot engage in cash-for-work initiatives. None of those has a child-sensitive design nor a specific target based on the existence of children in the households. Thus, there seems to be a strategic space for the emergency UCT to eventually refine its design and institutionalize itself (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming).

The decision about whether the UCT should be extended past the COVID-19 emergency period or not, however, should be taken by the many important government actors of the country⁴, and this should be decided once the emergency program covers good ground. By all means, the deliberation of the future of an emergency UCT should not further delay the implementation of one such emergency response. For the time being what is necessary is:

1. To urgently roll out an emergency UCT to LFI-PIN - even if this starts with low coverage and design changes take place during the roll out process;
2. To ensure to collect very basic information about the beneficiaries in a way that will not complexify the operation to the expense of its timely deployment, but which could nevertheless serve as the seed for a more complex registry which would be required in case this emergency initiative gives place to a regular UCT.

Section 3. Designing a COVID-19 responsive UCT in Afghanistan

Keeping in mind the necessity of implementing a UCT and the overall idea behind how to employ it during an emergency as presented in Section 2, this section elaborates further on the details of operationalizing this UCT.

Due to the socioeconomic emergency created by COVID-19, this UCT would need to be deployed in a timely manner. As such, its roll-out should start as a 'simple' operation, with i) efforts to target as many individuals within the PIN as possible, even if funds are lacking to cover all of the PIN, and ii) employing simple targeting and paying mechanisms that allow as many individuals within the PIN to be identified and receive their benefits. The latter entails that targeting mechanisms should require the least possible effort and resources from implementing agencies, such as by employing enrollment task forces that enroll households from the PIN. Eligibility criteria used by this task force would need to be simple, easy to validate proxies that allow implementing actors to easily identify eligible households. Hence our suggestion for considering categorical criteria like the household composition taking into consideration number of children, their age and sex, which can be additionally mediated by a geographical prioritization of the poorest provinces and districts (Sabates-Wheeler, Hurrell, and Devereux 2015).

Given the emergency nature of the UCT we propose, some inclusion errors should be tolerated in the first rounds of disbursement. Inclusion errors to this program could be of two sorts. First, enrolling the 7% of the population who is not PIN. Second, enrolling EFI-PIN who should be covered by the HCT's SSN but not by the LFI-PIN.

⁴ These actors include the main line ministries working with social protection, such as the Ministry of Refugees and Repatriates (MoRR), Ministry of Border and Tribal Affairs (MoBTA), Afghanistan National Disaster Management Authority (ANDMA), Counter Narcotics Ministry (MCN), Independent Directorate of Nomads/Kuchi Affairs (IGDK), Ministry of Women's Affairs (MoWA), Ministry of Labor and Social Affairs (MoLSA) (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming)

As for the first possibility, the inclusion of beneficiaries who are not considered to be part of the PIN is naturally bound to be small considering that 93% of the country fall under this category. Even if all non-PIN population were to be included, this would amount to a maximum 7.5% inclusion error, which is very small even in light of the best targeted programs worldwide. And, unfortunately, due to logistic limitations, the registering and payment process for this emergency response will be significantly demanding for claimants. This fact paired to the limited benefit values the program will yield (i.e: equal to the country’s poverty gap or to a share of it), should constitute a major disincentive for better-off households to apply for the program (Sabates-Wheeler, Hurrell, and Devereux 2015).

This risk of getting non-PIN covered by our proposed UCT gets even smaller if the program starts by covering the poorest districts of the poorest provinces – which should be the scaling up strategy to be followed in the likely case that the program does not has funds to cover all the PIN at the national level in the very beginning. Table 3 lists the Afghan provinces with higher poverty prevalences⁵, and we suggest that province-level governments indicate to the program managers which districts are the poorest and which should be covered first.

Table 3. Afghanistan’s 10 poorest provinces and their respective poverty prevalences

Province	Not poor (estimate 2020)	Poor (estimate 2020)	Population (estimate 2020)	Poverty prevalence based on ALCS 2016-17
Kunarha	0	1,043,958	1,043,958	100.00%
Samangan	453	482,567	483,020	99.91%
Baghlan	3,462	1,257,998	1,261,460	99.73%
Daykundi	4,209	794,405	798,614	99.47%
Badakhshan	7,675	1,369,800	1,377,475	99.44%
Helmand	12,521	2,191,253	2,203,774	99.43%
Ghor	6,744	946,223	952,967	99.29%
Jawzjan	5,020	582,952	587,972	99.15%
Nangarhar	25,015	2,677,718	2,702,733	99.07%
Wardak	7,527	752,905	760,432	99.01%

Source: Author’s elaboration based on the ALCS 2016-17 and population estimates for June 2020 using Flow Minder data reported in IPC (2020) and the poverty line of approximately USD 2 PPP per capita per day.

As for the second potential source of inclusion errors, this can be curbed by requesting HCT’s SSN list of beneficiaries to make sure these people don’t get to also receive the LFI-PIN. For that reason, in the likely case the program decides to expand gradually, the district level prioritization should also take the available logistical capacity of districts into consideration while indicating those to be prioritized to receive the grant. Such capacity features include the following three aspects:

1. The availability of lists of HCT’s SSN beneficiaries, since, at least in a first moment marked by budgetary constraints, persons already covered by humanitarian programs should not receive the LFI-PIN targeted UCT.
2. Districts’ capacity to promote the selection process and delivery of the benefit. This refers to the availability of community level institutions that could be part of the selection/ validation process for distributing benefits.

⁵ This is based on the poverty line of approximately USD 2 PPP per capita per day (assuming a 50% income loss due to the pandemics) and on the ALCS 2016-2017 data, expanded to suit Flow Minder population estimates for June 2020.

3. The district capacity to provide a safe environment during the payment window period (which most likely includes their capacity to negotiate a 'safe period' for the payment windows).

The selection process should basically consist of assessing household composition, since the number of children and their sex are mediators of the eligibility criteria and determine the benefit value due to each household. It is also important to control such that not more than one person of one same household get to receive or pick up the benefit. After all, we propose that the program should deliver benefits per household, and we propose different benefit formulae – some of which varying depending the household composition. Finally, applicants should be checked against the list of HCT's SSN beneficiaries, to avoid double dipping (i.e: that beneficiaries of the HCT's SSN also benefit from the LFI-PIN UCT).

This selection and validation process should take place on an itinerant fashion in which program managers agree with state authorities on week-long periods during which the program will enroll people in indicated districts. This information should be transmitted to district authorities and shared with community leaders and civil society such that the population can be duly informed to attend designated registration sites accordingly. Note that parts of Afghanistan's social protection response to COVID-19 have already shown government capacity and will to engage with civil society and the private sector (IPC-IG forthcoming).

During the registration period for each district, heads of households eligible for the UCT should present themselves with whatever documental proof they have of their household composition. In the likely case that some or most of them will not have the necessary documentation, the presence of community leaders in the taskforces should be enough to validate the declared information at least for the first round of payments. To avoid mass agglomerations, ideally this registration process should take place in an open-air space for individuals to keep distance from each other. The provision of masks and hand sanitizers should be guaranteed.

Applicants should immediately have their eligibility defined by the taskforce, and since many of them might not have access to banks, they should already receive their benefits at that very moment.. It might be advisable that, in addition to previous efforts from local authorities to secure peace during these payment periods, security forces get deployed to secure these registration and payment operations against thefts and attacks.

As people get selected and receive their respective benefit values, the taskforce should also be prepared to take register of a minimum set of information which could consist of: the civil registration number of as many household members as possible, the age and sex of each household member, the address of the household and the total amount that was paid for the beneficiary in the occasion. If possible, it could also be strategic to collect information on the household's bank account and phone-numbers (for those who have it). The former set of information could be used to improve the targeting for subsequent rounds of payment. The latter set of information could enable that an eventual second payment of the benefit could be made directly to beneficiary's bank account – thus waiving the logistic effort of having to organize payment taskforce, in case a baseline analysis of the first round of payments indicates a significant share of beneficiaries actually have access to banks; or in case the program finds a way to process phone-based forms of payment or needs to communicate with them directly to inform about alternative payment set-ups. It is important that program taskforces are equipped with standard registry files – which could be simple hard-copy paper forms with standardized questions and fields for having information inserted in a standardized way that could be digitalized provided these are sent to Kabul or any center with such capacity. It is recommendable that these registries get sent to the institution that will digitalize and analyze them at the end of the payment window for each district, which could serve to detect operational mistakes and fix them as the program expands further.

Naturally, these district coverage operations should take place in as many districts as possible, provided existing funding and institutional capacity. It is nevertheless expected that not all districts will be able to

undergo these operations at the same time. Therefore, if one assumes this emergency UCT should protect its beneficiaries at least for a few months, it is highly advisable that operations are planned to take place with more than a month interval, and therefore that our monthly benefit values of reference get paid in antecedence for the months between one payment operation and another. A four-months payment cycle could be a realistic timeframe.

For determining the benefit value to be transferred to beneficiaries, we suggest a value that covers the all-country average poverty gap considering of the approximately USD 2 income threshold that defines the PIN. In this document, we base the UCT value on the poverty gap calculated using the poverty line of approximately USD 2 PPP per capita per day and the mean household income of households below this poverty line after the livelihood loss estimated after the onset of the COVID-19 pandemic. This is equivalent to a benefit amount of AFN2,703.31 per capita per month⁶. Table 4 expresses the expected program costs for the different selection criteria, benefit formulae and geographical coverage scenarios⁷. This does not include administrative costs for implementing the UCT. If one prefers to pay only a share of the poverty gap, that could be an option too. Evidence suggests, however, that potential impacts of cash transfer programs might be compromised if they yield benefits below 20% of the poverty gap – in this case AFN540.66 (UNICEF 2017b).

Considering the above-indicated reference for benefit values per capita, we suggest the UCT chooses among one of the following pairs of targeting criteria and benefit formulae:

- a) All LFI-PIN households receive AFN2,703.31 per household member (regardless of their age or sex);
- b) All LFI-PIN households receive AFN2,703.31 per child living in the household;
- c) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of four children per household;
- d) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of three children per household;
- e) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of two children per household;
- f) All LFI-PIN households receive AFN2,703.31 .

The scenarios a) to f) listed above consider that households with children may be at a particular strain during the COVID-19 crisis. As explained in Section 1, households with many children have been found to be more vulnerable to poverty due to fewer household members' ability to contribute to household income (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming). Further, children experience poverty differently from adults and the consequences of poverty and deprivation during childhood may have strong detrimental effects throughout the life course (Chan, Lake, and Hansen 2017; Stewart 2016; UNICEF 2011). Nonetheless, evidence from Afghanistan also suggests that gender may add another layer of vulnerability to poverty and childhood in the country (UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming). Therefore, if options a) to f) listed above are deemed too costly, the following alternatives

⁶ This is the post-COVID-19 poverty gap, based on the assumption employed by the World Bank in which households have lost up to half of their livelihoods reported in the latest ALCS (2016-17). To arrive at this benefit amount, after assuming this loss of household income, the poverty line of approximately USD 2 PPP per capita per day was calculated in equivalent AFN values to identify the poor, arriving at 93% of the population. The mean monthly per capita household income amongst the poor in was then calculated in equivalent AFN values of 2017, and subtracted from the equivalent AFN of the approximately USD 2 per capita per day threshold.

⁷ Table 4 consider as child those aged 18 or less. Please see Table 6 in Appendix 2 for the same calculations of program cost considering the age threshold of 14 years old for defining children.

below may add a gender-sensitive filter to make the proposed UCT less expensive by focusing on an even more vulnerable group:

- g) All LFI-PIN households receive AFN2,703.31 per female child living in the household;
- h) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of four female children per household;
- j) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of three female children per household;
- k) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of two female children per household;
- l) All LFI-PIN households receive AFN2,703.31 .

Note that, for the scenarios described in options a) to l), the UCT could directly be implemented nationally, attempting to cover all of Afghanistan, or be implemented gradually. The UCT may also offer benefits with a varying periodicity and time-horizons for program maintenance (we suggest it pays benefits on a quarterly basis in account of the logistical difficulties it should face at least in the first rounds of payments). As Table 4 summarizes, we have calculated program costs based on periodical transfers of AFN2,703.31 (100% of the poverty gap) per person not only to varying numbers of beneficiaries, but also based on varying benefit durations and periodicities, and considering all country coverage as well as geographical prioritization and assuming gradual expansion.

For the equivalent of these scenarios considering solely (female) children below the age of 14, please refer to Table 6 in Appendix 2.

Table 4. Program costs (in AFN) of a UCT covering beneficiaries in scenarios a) to l) with varying benefit durations

Target groups	Scenarios a) to l) with different eligibility criteria	All country coverage				Poorest 10 provinces coverage			
		i) 1 month only (absolute values in AFN)	ii) 4 months (absolute values in AFN)	iii) 1 year (absolute values in AFN)	iv) 1 year (% of 2018 GDP)	v) 1 month only (absolute values in AFN)	vi) 4 months (absolute values in AFN)	vii) 1 year (absolute values in AFN)	viii) 1 year (% of 2018 GDP)
LFI-PIN households	a) All LFI-PIN households receive AFN2,703.31 per household member	56,767,575,620	227,070,302,478	681,210,907,434	48.62%	25,342,359,456	101,369,437,824	304,108,313,472	21.71%
LFI-PIN households with children	b) All LFI-PIN households receive AFN2,703.31 per child living in the household	31,699,200,341	126,796,801,366	380,390,404,097	27.15%	10,598,536,468	42,394,145,871	127,182,437,613	9.08%
	c) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of four children per household	22,311,698,764	89,246,795,057	267,740,385,171	19.11%	7,199,432,116	28,797,728,463	86,393,185,388	6.17%
	d) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of three children per household	18,034,223,749	72,136,894,997	216,410,684,991	15.45%	5,759,634,194	23,038,536,776	69,115,610,328	4.93%
	e) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of two children per household	12,719,388,267	50,877,553,068	152,632,659,205	10.89%	4,036,683,842	16,146,735,366	48,440,206,099	3.46%
	f) All LFI-PIN households receive AFN2,703.31	6,604,920,145	26,419,680,581	79,259,041,743	5.66%	2,086,819,949	8,347,279,797	25,041,839,391	1.79%

LFI-PIN households with female children	g) All LFI-PIN households receive AFN2,703.31 per female child living in the household	15,313,554,063	61,254,216,252	183,762,648,757	13.12%	5,167,799,507	20,671,198,029	62,013,594,087	4.43%
	h) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of four female children per household	13,535,939,347	54,143,757,389	162,431,272,167	11.59%	4,554,384,255	18,217,537,022	54,652,611,065	3.90%
	j) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of three female children per household	12,427,119,790	49,708,479,159	149,125,437,476	10.64%	4,144,177,467	16,576,709,867	49,730,129,601	3.55%
	k) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of two female children per household	10,030,801,440	40,123,205,758	120,369,617,274	8.59%	3,289,550,450	13,158,201,801	39,474,605,403	2.82%
	l) All LFI-PIN households receive AFN2,703.31	5,877,357,878	23,509,431,512	70,528,294,537	5.03%	1,883,026,234	7,532,104,937	22,596,314,811	1.61%

Source: Author's elaboration based on the ALCS 2016-17 and population estimates for June 2020 using Flow Minder data reported in IPC (2020). And GDP figures from World Bank (2020).

The alternatives summarized in Table 4 differ in coverage and program cost. **The most generous and costly UCT option presented above links the coverage scenario a) with the benefit duration and frequency iii).** Here, all members of all LFI-PIN households – hence are not eligible for humanitarian assistance by the HCT – would receive AFN2,703.31 per month for a period of one year. This option would cost an estimated 48.62% of Afghanistan’s GDP of 2018. If one decides to yield benefits of only 20% of the poverty gap, this cost goes down to 9.7% of the GDP.

On the other hand, **the least generous and costly alternative combines the eligibility criteria of scenario l) for a UCT covering solely the 10 poorest provinces and offering a one-off payment of AFN2,703.31 .** Note that this alternative can be even less costly given that the cost calculations in Table 4 did not filter for the poorest districts due to data availability. In this scenario as it is currently calculated, only households that have at least one female child and who are part of the LFI-PIN not covered by the HCT would receive a one-off payment of AFN2,703.31, regardless of how many children or household members are present. Without filtering for the poorest districts, this option is estimated to cost 0.13% of Afghanistan’s 2018 GDP and 0.03% of the GDP if the benefit is lowered to just 20% of the poverty gap (World Bank 2020).

One more balanced option - without considering sex - could be to apply the eligibility criteria in scenario d) on the national level with payment frequency iii). In this scenario, only households with children who are part of the LFI-PIN would be eligible for the UCT. Households would receive AFN2,703.31 per child with a cap at three children, meaning that each eligible household could receive up to AFN8,109.93 per month for one year. This is estimated to cost 15.45% of Afghanistan’s GDP as of 2018 and 3.09% if the benefit amount is lowered to one fifth of the poverty gap (World Bank 2020).

Considering solely households with female children, another balanced alternative could be to apply the eligibility criteria outlines in scenario j) on the national level with payment frequency iii). Here, eligible households would not only be part of the LFI-PIN but would also have to include at least one female child. Each household would be eligible to AFN2,703.31 for each female child up to three, meaning that, like the previous scenario, each eligible household could receive up to AFN8,109.93 per month. However, it is estimated that fewer households have up to three female children, resulting in an estimated program cost of 10.64% of Afghanistan’s 2018 GDP if this benefit is paid monthly for one year. This proportion is lowered to 2.13% if the benefit is 20% of the poverty gap (World Bank 2020).

As indicated in table 6, if one prefers to limit eligibility to households with children aged 14 or less, as opposed to children 18 or less, the cost for each possible programme-design would be even lower.

Note that, for the UCT to be implemented as soon as possible, it might be better to initially plan it with a benefit that cover the poverty gap considering the four months between quarterly payments, as outlined under the estimates for payment frequencies ii) and vi). In the early phases of implementation, significant logistical challenges may be expected, as beneficiaries must be identified and registered, thus it is very unlikely that payment operations will be operationalized in shorter time periods.

We strongly recommend that, given the emergency posed by the health and socioeconomic crisis due to COVID-19, the country rolls out whatever program design amongst those discussed here that can be deployed the quickest. If not all LFI-PIN households can be covered, the program should narrow its targeting to the vulnerable categories we have presented in Table 4 (considering children below 18 years old) or even Table 6 (that considers only children aged 14 years or less). If even that is not possible, the program should opt for a geographic, gradual coverage. If the most generous benefit formulae varying according to the number of eligible household members is not viable, then the program could yield only a flat benefit capped at one beneficiary per household. If the full poverty gap cannot be covered by the benefit formula, one could still provide anything down to 20% of this value and still expect to make a difference. At the bare minimum, significant benefit can be rolled out at 0.8% of Afghanistan’s GDP (2018)

(considering a benefit of 20% of the poverty gap for scenario g) with payment frequency viii of Table 6, for instance). And if even that is not possible, these costs can be further reduced six or twelve-fold by delivering only a two or one-off payments as opposed to a year-long assistance.

All these benefit values, selection criteria and coverage and payment approaches are features that can be changed as the program evolves and its potentialities and limitations emerge more clearly. These potential changes include the possibility of evolving to a regular program once the COVID-19 crisis fades away and people recover their income capacity potentially waiving up to 50% of the demand for it (based on pre-COVID data, see UNICEF Afghanistan, MoLSA, and IPC-IG forthcoming). The only thing that cannot be changed are the lives and tragical human capital losses that keep piling every minute that goes without a much-needed social protection support to the Afghani children and their families.

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Appendices

Appendix 1: Table 5. Number of households expected to be covered as per their household composition (children younger than 14)

	i. Total population		ii. Total PIN		iii. LFI-PIN	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage
1. Households with one child under 14	504,382	10.32%	415,418	8.50%	249,251	5.10%
2. Households with two children under 14	725,783	14.85%	617,291	12.63%	370,374	7.58%
3. Households with three children under 14	876,315	17.93%	768,068	15.72%	460,841	9.43%
4. Households with four or more children under 14	2,350,851	48.10%	2,153,018	44.05%	1,291,811	26.43%
5. Households with at least one child under 14	4,457,331	91.20%	4,457,407	91.20%	2,674,444	54.72%
6. Households with one female child under 14	1,339,154	27.40%	1,175,540	24.05%	705,324	14.43%
7. Households with two female children under 14	1,203,284	24.62%	1,074,600	21.99%	644,760	13.19%
8. Households with three female children under 14	738,001	15.10%	664,991	13.61%	398,995	8.16%
9. Households with four or more female children under 14	491,186	10.05%	458,221	9.38%	274,932	5.63%
10. Households with at least one female child under 14	3,771,625	77.17%	3,771,776	77.17%	2,263,065	46.30%

Source: Author's elaboration based on the ALCS 2016-17 and population estimates for June 2020 using Flow Minder data reported in IPC (2020).

Note: For the methodology applied here, please refer to the note under Table 2.

Appendix 2: Table 6. Estimated UCT cost calculated solely considering children under the age of 14

Target groups	Scenarios a) to l) with different eligibility criteria	All country coverage				Poorest 10 provinces coverage			
		i) 1 month only (absolute values in AFN)	ii) 4 months (absolute values in AFN)	iii) 1 year (absolute values in AFN)	iv) 1 year (% of 2018 GDP)	v) 1 month only (absolute values in AFN)	vi) 4 months (absolute values in AFN)	vii) 1 year (absolute values in AFN)	viii) 1 year (% of 2018 GDP)
LFI-PIN households	a) All LFI-PIN households receive AFN2,703.31 per household member	56,767,575,620	227,070,302,478	681,210,907,434	48.62%	20,057,120,461	80,228,481,844	240,685,445,532	17.18%
LFI-PIN households with children	b) All LFI-PIN households receive AFN2,703.31 per child living in the household	26,598,563,577	106,394,254,307	319,182,762,921	22.78%	9,111,951,710	36,447,806,838	109,343,420,515	7.80%
	c) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of four children per household	20,333,729,155	81,334,916,621	244,004,749,864	17.42%	6,725,694,579	26,902,778,318	80,708,334,954	5.76%
	d) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of three children per household	16,849,890,193	67,399,560,773	202,198,682,320	14.43%	5,483,409,622	21,933,638,488	65,800,915,463	4.70%
	e) All LFI-PIN households receive AFN2,703.31 per child living in the household, with a ceiling of two children per household	12,123,222,948	48,492,891,791	145,478,675,373	10.38%	3,901,640,559	15,606,562,235	46,819,686,706	3.34%

	f) All LFI-PIN households receive AFN2,703.31	6,397,711,610	25,590,846,441	76,772,539,324	5.48%	2,033,533,487	8,134,133,949	24,402,401,846	1.74%
LFI-PIN households with female children	g) All LFI-PIN households receive AFN2,703.31 per female child living in the household	12,818,010,550	51,272,042,201	153,816,126,602	10.98%	4,443,131,696	17,772,526,784	53,317,580,352	3.81%
	h) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of four female children per household	11,573,751,740	46,295,006,962	138,885,020,885	9.91%	4,003,502,920	16,014,011,679	48,042,035,038	3.43%
	j) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of three female children per household	10,832,297,334	43,329,189,337	129,987,568,011	9.28%	3,709,413,894	14,837,655,574	44,512,966,722	3.18%
	k) All LFI-PIN households receive AFN2,703.31 per female child living in the household, with a ceiling of two female children per household	9,014,807,838	36,059,231,353	108,177,694,058	7.72%	3,032,558,299	12,130,233,195	36,390,699,586	2.60%
	l) All LFI-PIN households receive AFN2,703.31	5,458,483,280	21,833,933,121	65,501,799,362	4.68%	1,785,443,824	7,141,775,298	21,425,325,893	1.53%

Source: Author's elaboration based on the ALCS 2016-17 and population estimates for June 2020 using Flow Minder data reported in IPC (2020). And GDP figures from World Bank (2020)