

AFGHANISTAN DEVELOPMENT UPDATE APRIL 2022

KEY MESSAGES AT A GLANCE

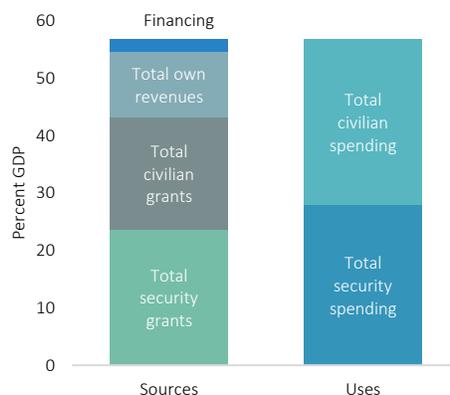
AFGHANISTAN RECEIVED VERY HIGH LEVELS OF AID SUPPORT FROM 2001-2020

High levels of international support drove rapid human development gains. However, grant inflows also left the economy aid-dependent, with benefits narrowly shared.

Improvements in development outcomes

- The proportion of secondary-age children enrolled in secondary school increased from 13% to 54% between 2003 and 2017
- Between 2007 and 2018, the number of children surviving to the age of five increased by 142 for every 1,000 births
- The youth literacy rate increased from 47 percent in 2011 to 67 percent in 2018
- The fertility rate declined from 7.3 births per woman in 2002 to 4.3 births per woman in 2019

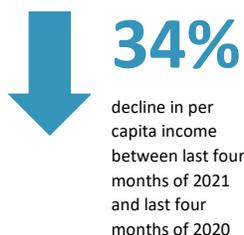
Public finances - sources and uses (2019)



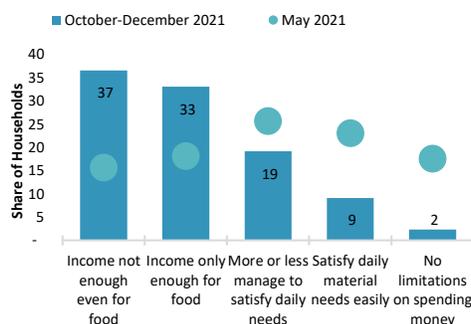
AFGHANISTAN'S ECONOMY FELL INTO CRISIS FOLLOWING THE POLITICAL EVENTS OF AUGUST 15, 2021

Cessation of grant inflows, loss of access to overseas central bank assets, and breakdown of international banking relationships caused economic output over the last months of 2021 to decline by one-third. This has driven major increases in hardship.

Estimated economic output per capita



Household capacity to cover food and non-food expenses



THE CURRENT TRAJECTORY BRINGS MAJOR RISKS TO AFGHANISTAN, THE REGION, AND THE WORLD

Under current conditions, growth will remain stagnant. Widespread poverty will pose important displacement, extremism, and fragility risks. Major changes in domestic and international policy settings would be required to allow Afghanistan to move towards a path of economic stabilization and recovery.

Recovery Requirements

To unlock international assistance and advice, the Interim Taliban Administration must adhere to basic standards for the treatment of women and girls, respect for human and democratic rights, and basic principles of sound economic management.

The international community should, under any circumstances, ensure the continued provision of support to basic humanitarian needs. If policies of the Interim Taliban Administration allow, a broader program of economic assistance could be provided to macroeconomic management, broader public services, infrastructure, and the private sector, allowing much faster recovery.

GDP per capita by scenarios

