

Afghanistan Public Policy Research Organization

Monitoring Government Response to COVID-19 in Nangarhar, Laghman and Kunar

Cycle 1

July 1 – August 1, 2020



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About this report

In July 2020, APPRO conducted research in Kabul, Nangarhar, Laghman and Kunar to monitor how the government funds and international assistance to mitigate the spread of COVID-19 are being used by local authorities, particularly Provincial Governor Offices and Directorates of Public Health in Nangarhar, Kunar and Laghman provinces. This monitoring report also examined the extent to which procurement procedures in Kabul and the provinces have been aligned to meet the growing pressure of COVID-19 and whether these funds are being disbursed transparently and in a timely manner to purchase the essential equipment and related services.

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List of Acronyms

ADDA	Agency for Assistance and Development of Afghanistan
AOP	Administrative Office of the President
AFN	Afghanis
COVID-19	Coronavirus Disease 2019
CSO	Civil Society Organization
IDLG	Independent Directorate of Local Governance
IOM	International Organization for Migration
OCP	Open Contracting Partnership
PFM	Public Financial Management
PGO	Provincial Governor Office
PPE	Personal Protective Equipment
USD	United States Dollars

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Introduction

Corona virus disease (COVID-19) is an infectious and highly transmissible disease which started spreading in Afghanistan when the first case was reported on February 4, 2020 in the western province of Herat. As of August 10, 2020, more than 37,000 cases have been registered with 1,300 deaths and more than 10,000 active cases throughout the country.¹ Due to the highly transmissible nature of this virus, strict and rapid response in the form of increasing public awareness, restricting movement, maintaining social distance, allocating financial resources and accelerating the process of provision of funds for the procurement of medical equipment are the highly-recommended measures.

Nearly 493,000 people have returned from Iran and Pakistan since January 01, 2020. Although Torkham port between Nangarhar and Pakistan has remained closed, there have been instances where the port has been opened for movement of documented and undocumented Afghans.² Previously, the Governor of Nangarhar had stated that all people returning from Pakistan will be quarantined for two weeks in camps built near Torkham. However, due to the high number of returnees, the authorities were unable to quarantine all returnees. It was reported that nearly 20,000 Afghans who had been held up on the Pakistan side of the border finally managed to enter Afghanistan without standardized testing and quarantine, raising the risk of COVID-19 in Nangarhar. There are also reports of mismanagement in the quarantine camps, resulting in returnees either not getting quarantined and/or fleeing from camps.³

The number of infections throughout Afghanistan is increasing daily. To date, Nangarhar, Kunar and Laghman have recorded 1,395, 408 and 380 number of cases, respectively.⁴ These increases are, to large extent, attributed to the influx of returnees from Pakistan and IDPs from surrounding provinces. According to official estimates by IOM, Nangarhar hosts 15 percent of the total number of returnees to Afghanistan, making it the most vulnerable province due to the high number of returnees combined with poor management and insufficient resources.⁵

The government of Afghanistan in a statement on March 27, 2020 announced a lockdown in Kabul imposing restrictions on movements and closure of government and non-government institutions in Kabul, Balkh, Nangarhar and Kandahar. Other than entities providing essential services such as healthcare, all other government entities remained closed until early June 2020. Restrictions were also imposed in Laghman and Kunar provinces with similar guidelines resulting in the closure of government offices, educational institutions and social gatherings which lasted until late May 2020.⁶ The government relaxed restrictions in Kabul, Nangarhar, Mazar and Herat by adopting safety measures to allow small

¹ Data on the number of COVID-19 cases taken from:

<https://www.worldometers.info/coronavirus/country/afghanistan/>

² Ariana News (2020). Torkham port opened to returnees from Pakistan. Available from:

<https://baztab.news/article/1309557>

³ Ariana News (2020). Torkham port opened to Afghan returnees from Pakistan. Available from:

<https://ariananews.af/torkham-port-opened-to-afghan-returnees-from-pakistan/>

⁴ Official data taken from MoPH on August 08, 2020.

⁵ IOM (2019). Afghanistan Displacement Tracking Matrix. Kabul, Afghanistan, available from:

<https://afghanistan.iom.int/sites/default/files/Reports/iom-afghanistan-baseline-mobility-assessment-summary-results-december-2018-english.pdf>

⁶ Tolonews (2020). Kabul Lockdown Eases Amid Warnings on Crisis. Available from:

<https://tolonews.com/afghanistan/kabul-lockdown-eases-amid-warnings-crisis>

businesses and government institutions to operate in two shifts between 8 AM to 4 PM in Kabul and the provinces. In August 2020, schools and universities also started reopening.⁷

To mitigate COVID-19 infection, several countries around the world, including China, had re-adjusted their budgetary allocations to authorize urgent spending for an immediate response within existing budget limits. Moreover, central government in China have given the necessary decision-making power to subnational authorities to address the situation according to local needs. Local financial departments at all levels in China, particularly Hubei province were able to make judgements on allocation of funds based on a local analysis of their situation.⁸ The dispatch of funds by the central government of China was accelerated while relevant policies were refined to accommodate urgent requests by local directorates.⁹ Also, since the outbreak of COVID-19, China and France have established performance frameworks where the new budgetary programs are accompanied by clearly defined policy goals and performance indicators.

In Afghanistan, however, there are major grievances about the allocation and spending of COVID-19 funds. Several media reports have disclosed embezzlement of health equipment and there are allegations of corruption against the Ministry of Public Health (MoPH) employees.¹⁰ There are also reports of misuse of funds to purchase non-essential items such as furniture, television sets and equipment which are not directly linked to COVID-19 relief. These reports have raised concerns and led to criticism of the government for lacking will or commitment to fight COVID-19 while addressing the misappropriation of funds and prosecuting corrupt authorities.¹¹

Although “spending authority” of the local authorities has been raised by a decree issued by President Ghani in April 2020, the process of public procurement, particularly through “single source contracts” has become a major facilitating factor in misappropriation of funds.¹² Management of emergency procurement of life-saving equipment and medicines is essential in the fight against the virus. When procurement procedures are accelerated, there should be clear rules about fairness and non-discrimination on how the government is intending to procure equipment. For instance, Ukraine’s anti-corruption reforms in procurement procedures oblige all emergency contracts to be published in full, including terms of contracts, invoices, receipts of payment and value of the contract.¹³

⁷ Ariana News (2020). Government approves lockdown gradual exit plan. Available from: <https://ariananews.af/government-approves-lockdown-gradual-exit-plan-kabul/>

⁸ Barroy H., Wang D. & Pescetto C. (2020). How to budget for COVID-19 response?. Available from: https://www.who.int/docs/default-source/health-financing/how-to-budget-for-covid-19-english.pdf?sfvrsn=356a8077_1

⁹ Ministry of Finance of China (2020). Notice on Further Doing a Good Job in Guaranteeing Funds for the Prevention and Control of the Novel Coronavirus Pneumonia Epidemic. Available from: http://sbs.mof.gov.cn/zhengcefabu/202002/t20200213_3469361.htm

¹⁰ Tolonews (2020). Health Ministry employee arrested taking bribe. Available from: <https://tolonews.com/health/health-ministry-employee-arrested-taking-bribe>

¹¹ Pajhwok Afghan News. (2020). Ghor: COVID-19 fund mismanaged, misappropriated. Available from: <https://www.pajhwok.com/en/2020/07/19/ghor-covid-19-fund-mismanaged-misappropriated>

¹² Open Government Partnership (2020). Emergency Procurement for COVID-19 Buying, Fast Open and Smart. Available from: <https://www.opengovpartnership.org/stories/emergency-procurement-for-covid-19-buying-fast-open-and-amart/>

¹³ Ibid

For a more proactive disclosure of information related to government contracting, international standards have been established. The Open Contracting Partnership (OCP) is a multilateral initiative which strives to ensure appropriate tracking and management of government spending and open procurement by establishing online mechanisms for better availability of information. On this note, Afghan government, namely National Procurement Authority as member of OCP, should ensure that information related to procurement is open and public, and that clear goals and priorities are formulated, and OCP's standards are adopted.¹⁴

This first cycle of COVID-19 budget monitor was carried out in late July 2020 to establish how the allocated and disbursed COVID-19 relief funds in Nangarhar, Laghman and Kunar provinces are being used by local authorities as a means to identify opportunities for improving the allocation of earmarked resources.

Objectives, Methodology and Scope

The overall goal of research for this monitoring cycle is to provide an overview of the process of allocation and disbursement of COVID-19 relief funds in Nangarhar, Laghman and Kunar provinces. This report is intended to document how the pledged/allocated government funds and international assistance to mitigate the spread of COVID-19 are being used by the national government and the authorities in Nangarhar, Laghman and Kunar provinces in the fight against COVID-19.

Data were collected to:

- Document the amount of budget allocated to fight COVID-19 in the three target provinces
- Document the process of allocation and spending of funds in the target provinces, and
- Examine the degree to which transparency and accountability measures have been established to monitor the allocation and utilization of funds by government agencies at the subnational levels.

Fifty-three (53) interviews were conducted with key informants, consisting of 11 in Kabul, 14 in Nangarhar, 14 in Laghman, and 14 in Kunar. The Key informants were government officials (21) in Provincial Directorates of Public Health, Finance and Provincial Governor Offices, international donors providing COVID-19 financial assistance to Afghanistan (4), civil society organizations (8), Provincial Council members (6), while the remainder being COVID-19 patients discharged from health centers in the three target provinces.

Limitations

The secondary data sources do not provide sufficient information on the status of allocation and disbursement of COVID-19 funds in the target provinces. To compensate for this, data were collected from primary sources through interviews.

The data obtained from key informant interviews in Nangarhar, Laghman and Kunar provinces were insufficient to answer all the research questions related to the transparency and accountability in the

¹⁴ Ibid

disbursement of earmarked COVID-19 funds. Due to the high transmissibility of COVID-19, an insufficient number (4 per province) of interviews were possible with COVID-19 health centers. Additional efforts will be made in the next round of monitoring which is planned in the beginning of September 2020 to collect sufficient data from the health centers.

Findings from Secondary Sources

After the outbreak of COVID-19 in Afghanistan, the Ministry of Finance in consultation with the Independent Directorate of Local Governance (IDLG), MoPH and the Administrative Office of the President (AOP) reallocated 9 billion AFN (nearly 118 million USD) to fight COVID-19 throughout the country. Overall, 9 billion AFN has been allocated to different government agencies to fight COVID-19. IDLG has been allocated the highest budget with 2.42 billion AFN (31.8 million USD), followed by the Ministry of Agriculture, Irrigation and Livestock with 1.7 billion AFN (22.4 million USD) and MoPH with 1.153 billion AFN (15.2 million USD). The breakdown of this reallocation is shown in Table 1.

Table 1: Reallocation of National Budget to Fight COVID-19

Government Entity	Transferred Amount (AFN)	Transferred Amount (USD)
Ministry of Public Health	1.153 billion	15.2 million
Ministry of Finance	77 million	1.013 million
Administrative Office of the President	77 million	1.013 million
IDLG	2.42 billion	31.8 million
Ministry of Agriculture, Irrigation and Livestock	1.7 billion	22 million
Administrative Office of the President	1.418 billion	18.657 million
Kabul Municipality	1.240 billion	16.3 million
IDLG	977 million	12.8 million

Source: Ministry of Finance, Afghanistan¹⁵

On May 5, 2020, the Government of Afghanistan approved 89.9 billion AFN (1.1 billion USD) for relief efforts to combat COVID-19. Of this amount, 30 billion AFN (392 million USD) is financed through reallocations in the current budget with the remaining 60 billion AFN (821 million USD) coming from international donors. Currently the national budget has been raised to 449 billion AFN (5.9 billion USD) from the approved 428 billion (5.6 billion USD) at the beginning of the year.¹⁶

The national budget was amended on July 1, 2020, after the peak of the pandemic had finished, with 21 billion AFN (276 million USD) having been added to the overall budget of 428 billion AFN. Of the AFN 30 billion re-allocated, around 3.1 billion AFN (41.2 million USD) is financed by adjusting budgetary lines in the current budget. Details of the amount in Afghani and the adjusted budgetary lines are provided in Table 2 below.

¹⁵ Data on allocated funds taken from Amended National Budget document. Available from: http://www.budgetmof.gov.af/images/stories/DGB/BPRD/National%20Budget/1399_Budget/Approved%201399%20Budget%20Amendments.pdf

¹⁶ Tolonews (2020). Afghan Government approves \$ 1.1 B Package for COVID-19 Response, available from: <https://tolonews.com/business/afghan-govt-approves-11b-package-covid-19-response>

Table 2: Amended Budget to Fight COVID-19

Budget	Budget lines	Amount in AFN	Amount in USD
Operating Budget	22 (goods and services)	2.4 billion	31.5 million
	25 (capital investment)	420 million	5.5 million
	Contingency codes	320 million	4.2 million
Total		3.1 billion	41.2 million

Source: Taken from national budget amendment.¹⁷

Provinces with larger populations and sharing the border with Iran, Pakistan and China were allocated higher budgets.

Similarly, the government has allocated 500 million AFN for Kabul, 400 million AFN for Herat, 150 million AFN for Badakhshan, 400 million AFN for Kandahar, 100 million AFN to each of Takhar, Kunduz, and Baghlan provinces, 60 million AFN for each of Paktia, Khost, and Ghazni provinces, and 50 million AFN to each of Helmand, Nimruz, Nangarhar, Balkh, and Faryab provinces.¹⁸

Likewise, the government has appropriated to each of Paktika, Logar, Zabul, Bamyan, Daikundi, and Uruzgan provinces 30 million AFN. Badghis, Farah, Ghor, Laghman, Kunar, Nuristan, Jowzjan, Sar-e-Pul, Samangan, Kapisa, Maidan-Wardak, Parwan, and Panjsher provinces have been each allocated 20 million AFN.¹⁹

There is lack of information on the policy targets and performance indicators for the disbursement of the funds while procurement of non-essential items with the funds earmarked for fighting COVID-19 has been flagged by several organizations.²⁰

There have also been concerns by civil society organizations about lack of access to oversight in the management of the funds earmarked under COVID-19. A statement issued by civil society organizations in Kabul accused the government of sidelining civil society in the fight against COVID-19, especially because civil society was not consulted in developing the revised budget.²¹

The international community has pledged around 540 million USD to Afghanistan to assist the fight against COVID-19, made up of 115 million USD from the World Bank, 40 million USD from the European Union, 25 million USD by Asian Development Bank, two amounts at 36.7 and 90 million USD by USAID, and an additional 220 million USD in loans by the international community.²²

¹⁷ Data on allocated funds taken from Amended National Budget document. Available from: http://www.budgetmof.gov.af/images/stories/DGB/BPRD/National%20Budget/1399_Budget/Approved%201399%20Budget%20Amendments.pdf

¹⁸ Kabul Now (2020). COVID-19 Budgeting: Where does the money go? available from: <https://kabulnow.af/2020/04/covid-19-budget-spending-where-does-the-money-go/>

¹⁹ Kabul Now (2020). COVID-19 Budgeting: Where does the money go? available from: <https://kabulnow.af/2020/04/covid-19-budget-spending-where-does-the-money-go/>

²⁰ Pajhwok (2020). Ghor: Covid-19 fund mismanaged, misappropriated, available from: <https://www.pajhwok.com/en/2020/07/19/ghor-covid-19-fund-mismanaged-misappropriated>

²¹ Tolonews (2020). Civil Society 'Sidelined' in Covid-19 Fight: Watchdog, available from: <https://tolonews.com/health/civil-society-'sidelined'-covid-19-fight-watchdog>

²² Tolonews (2020). Afghan Govt Controls COVID-19 Foreign Aid Funds, Raising Concerns, available from: <https://tolonews.com/afghanistan/afghan-govt-controls-covid-19-foreign-aid-funds-raising-concerns>

The government has insisted on spending the earmarked funds through the national budgeting mechanism. However, there are concerns regarding the effectiveness in the use of the funds due to insufficient capacity and widespread corruption within government institutions.²³

There is, in addition, concern over the lack of coordination among international donors in their overall response to assist Afghanistan with dealing with COVID-19:²⁴

When the pandemic stroke Afghanistan in February 2020, everyone was eager to support Afghanistan, quick and swift action was needed without coordinating with other donors and discussing the mechanism. There should have been a coordinated effort by donors to ensure a proper tracking and record system of the funds by all donors. I heard in news that Turkey, China and Qatar have provided support but what is needed proper record tracking system at the donors level to ensure something is not duplicated.²⁵

Findings from Primary Sources

Of the overall budget allocated to MoPH (1.153 billion AFN), nearly 25 percent (285 million AFN) has been allocated to Directorates of Public Health (DoPH) in 34 provinces.²⁶

As of July 2020, the responsibility for COVID-19 service delivery in the eastern provinces of Nangarhar, Laghman and Kunar were assigned to NGOs specializing in the provision of health services. HealthNet has been delivering COVID-19 services in provincial centers while ADDA has been providing services in the districts. These NGOs are managed under the SEHATMAND-II project which is jointly funded by the World Bank and Asian Development Bank.

A key concern among most donors in Kabul is the insufficient capacity of government agencies in terms of asset management:

My personal opinion is that in terms of financial management, MoF has the capacity to manage these funds. But the real issue is the management of assets, how are they tracked? Is there proper capacity on the Afghan government side in terms of procurement, management and disposal? I would say it is insufficient.²⁷

International donors want to see more efforts to prevent corruption and to ensure effectiveness in the process.²⁸

Allocation Funds and Spending Procedures

MoF has allocated the earmarked funds to the provinces through IDLG and MoPH. IDLG's share of the funds consist of both operating and development budget but MoPH's budget is for financing operational costs. The funds go from MoF to MoPH and from MoPH to the Provincial Public Health Departments. For

²³ Ibid

²⁴ KI-M-Kab-NG-5, confirmed by 2 KIs in Kabul.

²⁵ KI-M-Kab-NG-5.

²⁶ KI-M-KAB-NG-1.

²⁷ KI-M-Kab-NG-5, confirmed by 2 KIs in Kabul.

²⁸ KI-M-Kab-NG-5.

managing expenses related to COVID-19, the Administrative Office of the President has given authority to the Provincial Governors to make purchases based on the requests by local directorates.²⁹

Under the supervision of the Provincial Governor Office (PGO) in each province, two committees have been established, namely, Purchasing Committee and Monitoring Committee. The Purchasing Committee has representatives from PGO, DoPH, Directorate of Finance (Mustofiat), Attorney General’s Office, Provincial Chapters of National Directorate of Security, a Provincial Council Member and one civil society organization. The Purchasing Committee is authorized to request purchase of health equipment while its functions are to be monitored by the Monitoring Committee. The Monitoring Committee has representatives from the local media, civil society, Provincial Council, and Mustofiat while private sector entities are invited to act as observers.³⁰

Table 3 shows the amounts received by the PGO, the corresponding codes for the national budget from which the funds have been allocated and the spending to date. Nangarhar has been allocated 150 million AFN because of its higher population and proximity to Pakistan and the risk posed by returnees from Pakistan.

Table 3: Transferred Funds to Nangarhar, Laghman and Kunar Based on Budget Lines

Province	Transferred Funds	Budget Lines	Expenditure (AFN)
Nangarhar	150 million AFN in two allotments to PGO	Re-allocated from budget 220 to code 220	73,368,605
	10 million AFN to DoPH	Re-allocated from budget code 250 to code 220	8,148,487
Laghman	20 million AFN sent to PGO account	To budget code 250	14,251,521
	5.3 million sent to DoPH	Allocated to code 220 and 210	4,385,131
Kunar	20 million AFN sent to PGO account	Transferred to code 250 of PGO	13,000,000
	5 million AFN sent to DoPH	Re-allocated from code 220 to 210	2,652,696

Source: Key informant interviews in three provinces

PGO in Laghman and Kunar were each allocated 20 million AFN, of which nearly 14 million AFN has been spent in Laghman and 13 million AFN in Kunar. Also, 5 million AFN was transferred to DoPH in both provinces, of which more than 4 million AFN has been spent in Laghman and 2.6 million AFN in Kunar.³¹ Nangarhar has received 90 AFN per inhabitant, while Laghman and Kunar have received 42 AFN per inhabitant.

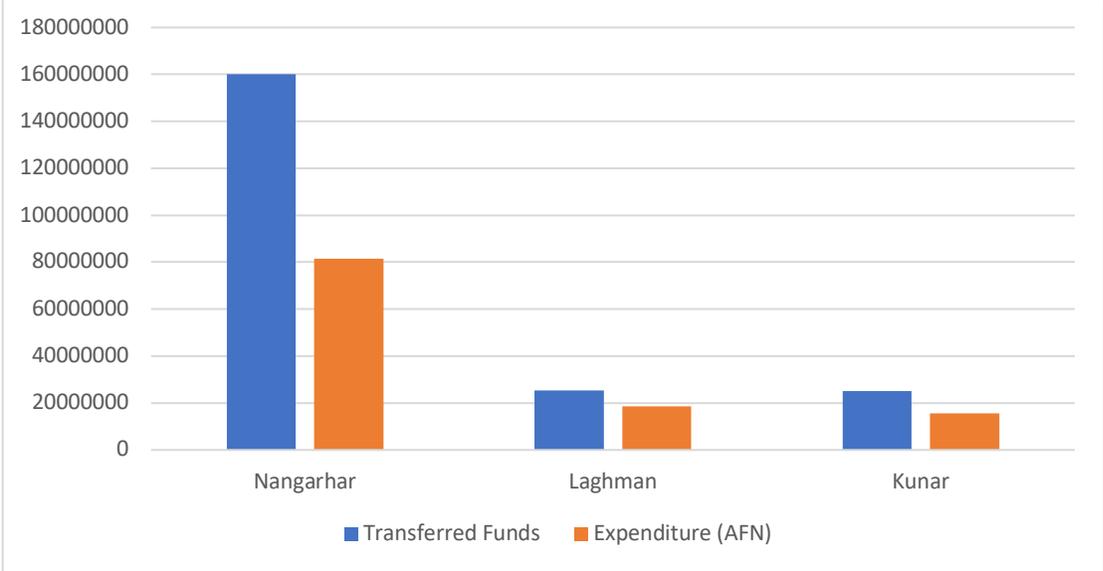
Figure 1 shows the total amount of budget allocated to DoPH and PGO. Nangarhar province has been allocated the highest budget with 160 million AFN, followed by Laghman 25.3 million AFN and Kunar 25 million AFN. Of the three provinces, Laghman has the highest percentage of budget expenditure with nearly 18.5 million AFN, spending nearly 70 percent of budget allocated, followed by Kunar with 15.6 million AFN. Nangarhar has nearly spent 80 million AFN, however this comprises about 50 percent of the overall budget allocated to PGO and DoPH.

²⁹ KI-M-NAN-GO-1, confirmed by 6 KIs in Nangarhar.

³⁰ KI-M-KUN-GO-6, confirmed by 6 KIs in Nangarhar, Laghman and Kunar.

³¹ KI-M-LAG-GO-7, confirmed by 4 KIs in Nangarhar, Laghman and Kunar.

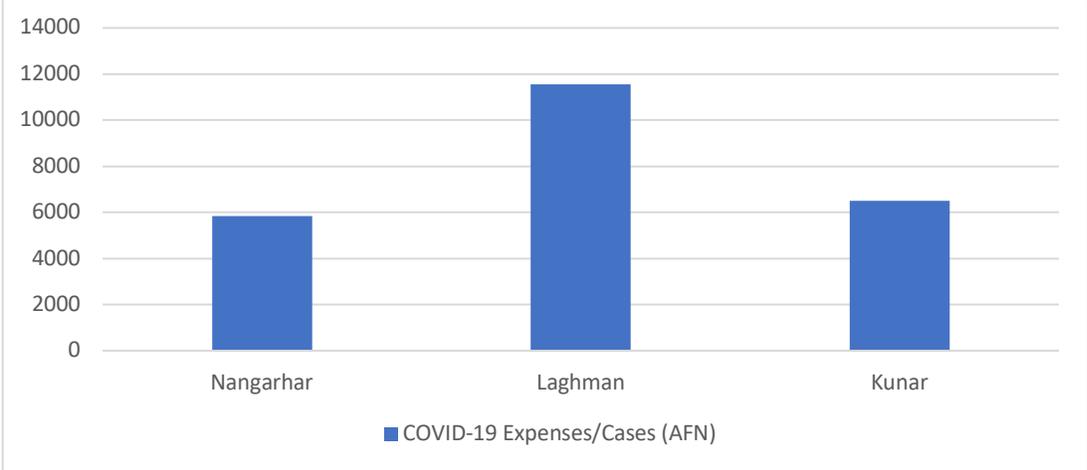
Figure 1: Transferred Budget and Expenditures per Province



Source: Key informant interviews in three provinces

The number of registered COVID-19 cases are much lower in Laghman (380) and Kunar (408) compared to Nangarhar at 1,395 as of August 5, 2020. Nangarhar has had the lowest expenditure per COVID-19 case at 5,840 AFN, followed by Kunar at 6,500 AFN. Laghman’s expenditure per case 11,540 AFN, has raised questions over the significant difference between its expenditure per patient with the two neighboring provinces of Kunar and Laghman. The official data obtained in this round of monitoring was not enough to probe in to the expenses incurred in Laghman, however, for the next round of monitoring the expenses, expenses will be thoroughly cross-checked with COVID-19 health centers.

Figure 2: Expenses per COVID-19 Case



Source: Key informant interviews with DoPH in three provinces

The majority of the respondents in the target provinces, including government officials, were not aware of the international assistance allocated to the eastern provinces to assist in combating COVID-19. This could be due to the assistance funding being spent off-budget.

Civil society organizations have complained that civil society was insufficiently involved in the decision making about the response to COVID-19:

In regard to allocation of budget to the provinces, civil society was not consulted. Key decisions regarding allocation of budget is taken by the PGO. We had all the preparations in place, provincial council members, Ulema council, youth council and several other networks were ready for sharing their inputs to the authorities.³²

Mechanism for Allocating Funds

Two major criteria according to which the funds have been allocated to each province are the population of the province and whether the province is bordering Iran or Pakistan.³³

Some of the key informants suggested that funds earmarked to combat COVID-19 should be allocated based on the ability of each province in fighting COVID-19, demonstrated by a proven ability to mitigate based on performance outcomes. Some wanted to see mechanisms for reporting how the disbursed funds are linked to outputs and outcomes and how progress in combating COVID-19 can be measured through adequately defined indicators. Currently, there is no government website to publish information updates on the utilization of the funds in a timely manner or to provide information to enhance transparency and accountability.³⁴

The procedure established by MoF allows the Purchasing Committees to procure medical supplies from single source contracting due to the emergency nature of COVID-19. It is not clear what criteria are used to assess the suppliers' efficiency, transparency and credibility. DoPHs and PGOs have purchased health equipment including personal protective equipment (PPE), oxygen cylinders and ventilators. There is concern, however, over insufficient coordination among these entities.³⁵

Mechanism for Accounting for Expenditure of Funds

Provincial Governors initiate monthly and/or weekly public hearings whereby the Governor and/or Deputy Governor addresses the media, civil society, local officials and local activists on the allocation of the funds. The Purchasing Committee and the Monitoring Committee oversee the process of execution of funds in the province.³⁶

Whenever there is an expenditure related to fighting COVID-19 in the province, the documents and supporting documents are approved by the Provincial Governor and COVID-19 committees in the provinces and submitted to the provincial Department of Finance (Mustofiat). A major challenge is the degree to which Mustofiat in different provinces are able to track and account for the funds and report to the government and the public.³⁷

³² .KI-M-KUN-GO-8.

³³ KI-M-NAN-GO-1, confirmed by 4 KIs in Nangarhar.

³⁴ KI-M-KUN-GO-2, confirmed by 4 KIs in Nangarhar and 3 KIs in Laghman.

³⁵ KI-M-NAN-GO-6.

³⁶ KI-M-NAN-GO-3, confirmed by 2 KIs in Nangarhar, Laghman and Kunar.

³⁷ KI-M-KUN-NG-1, confirmed by 3 KIs in Nangarhar, Laghman and Kunar.

The civil society organizations interviewed in the three provinces questioned the transparency in the utilization of funds since the information on the allocation and expenditure of funds is not public:

The level of transparency is questionable. ... They brief the public through television and radio stations but this is insufficient. The actions of the Provincial Governor and Deputy Governor should be monitored and observed.³⁸

Public Procurement Process in the Provinces

Following the COVID-19 pandemic, spending authority of Provincial Governors has been increased from 500,000 AFN to 5,000,000 AFN. Previously, procurement of goods above 500,000 was done in the capital, Kabul. The establishment of COVID-19 committees are instrumental in selecting the suppliers for providing the medical equipment to COVID-19 treatment centers.³⁹

As for all three provinces, the responsibilities related to public procurement of medical supplies lie with Purchasing Committee and the final decision is taken by the Provincial Governor. In accordance with the COVID-19 procedures developed by MoF, any purchase below 5 million AFN can be approved by the Provincial Governor. Procurements above 5 million AFN can be single sourced based on the urgency and needs. The local departments communicate their needs to the provincial Governor's Office. The Governor refers the request to Department of Administration and Finance who then assigns the Monitoring Committee to verify the needs and sources of procurement. On clearance from the Monitoring Committee, the Purchasing Committee procures the required goods or services.⁴⁰

Transparency and Accountability in Use of COVID-19 Funds

Local directorates submit activity reports to Provincial Governor Offices while technical documents related to accounting and financial management are submitted to the Mustofiats which, in turn, are consolidated. In addition, Governor Offices report at the national level to MoF, National Procurement Authority and IDLG on the disbursement of COVID-19 funds. When normal processes are circumvented, additional reporting is required to ensure overarching planning, budgeting and accounting principles are upheld. There is a need, however, for a separate reporting template regarding COVID-19 to justify the reasons for expenditure and single sourced contracting.⁴¹

A major criticism of the current procedures and reporting mechanisms is their unavailability in the public domain. As one civil society key informant put it,

Behind closed doors, who knows what happens and what they account for. If the reports are under public scrutiny, then we can hold them accountable.⁴²

The provincial Monitoring Committees have been effective as mechanisms for overseeing the process of utilization of COVID-19 funds. However, there is room for further improvement. Civil society monitoring

³⁸ KI-M-KUN-NG-1.

³⁹ KI-M-NAN-GO-2, confirmed by 5 KIs in Nangarhar, Kunar and Laghman.

⁴⁰ KI-M-NAN-GO-2, confirmed by 2 KIs in Nangarhar.

⁴¹ KI-M-LAG-GO-1, confirmed by 3 KIs in Nangarhar, Kunar and Laghman.

⁴² KI-F-LAG-NG-2.

and representation has been insufficient. The use of digital tools for monitoring and reporting have not been fully realized at the national and subnational levels.⁴³

COVID-19 Patients and Provincial Public Health Services

The patients interviewed believed that health service delivery regarding COVID-19 was sufficient and the treatments provided by medical staff were effective. There were no complaints regarding the insufficiency of doctors and health personnel, though.⁴⁴

In terms of health equipment, most of the respondents reported that there were problems in the availability of oxygen cylinders and ventilators when COVID-19 struck these provinces. Overtime, this has been resolved and oxygen was provided by UNICEF through its contractors. Further, it was reported that PPE and medicine is available in sufficient amount in the provinces.

It has to be noted that the impact of COVID-19 has not been as severe in Nangarhar, Laghman and Kunar provinces compared to Kabul, Balkh and Herat. To date, 2,260 cases have been registered in all the three provinces and the amount of financial resources has been reportedly sufficient to fight the virus.

Conclusion

The response to the outbreak of COVID-19 in Afghanistan has consisted of imposing a lockdown in major cities and introducing a COVID-19 relief package made up of reallocations to the national budget and earmarked funding from international donors. The government has disbursed these funds to the provinces through DoPH and provincial Governor Offices. More specifically, Nangarhar has received 150 million AFN, Laghman 20 million AFN and Kunar 20 million AFN.

From the total amount, DoPH in Nangarhar, Laghman and Kunar has received 10 million AFN, 5 million AFN, and 5 million AFN, respectively. At the completion of this round of monitoring, Laghman and Kunar provinces had spent most of their funds while Nangarhar still had a balance due, mostly, to the fact that the initial allocation of funds to Nangarhar was much higher than those allocated to Laghman and Kunar.

COVID-19 expenditure per case/patient by DoPH is disproportionate in each province, as Laghman with 11,540 AFN has spent twice the amount spent in Nangarhar (5,840 AFN) and Kunar (6,500 AFN) on each patient in the province.

Most of the government officials are unclear about how best to use remaining funds in the provinces since off-budget funding allocation and activities were being carried out by HealthNet and ADDA.

One overarching finding from this monitoring cycle has been that the government has made insufficient efforts to ensure transparency and effective spending of the funds to combat COVID-19. A COVID-19 spending mechanism and procedure, complemented with performance indicators, targets, timelines and

⁴³ KI-M-KUN-GO-6, confirmed by 2 KIs in Laghman and Kunar.

⁴⁴ KI-F-NAN-NG-6, confirmed by 2 KIs in Laghman and Kunar.

expected results, needs to be developed to increase efficiency and effectiveness and reduce or eliminate misappropriation of funds.

The reporting mechanisms for allocation and expenditure of funds needs to be adjusted to allow more specific reporting in terms of asset purchase and management and public reporting.

Civil society monitoring and oversight has been insufficient and digital tools for monitoring and reporting have not been sufficiently utilized.

Ways Forward

Given the likelihood of a second wave of COVID-19, each of the key informants were asked what concrete steps were needed to increase the efficiency and effectiveness in the allocation and spending of funds, earmarked to fight COVID-19 in Nangarhar, Laghman and Kunar provinces. The responses were analyzed and combined with the available information from secondary sources to generate the following recommendations.

Government Authorities

- Establish a mechanism to identify the needs and allocate funds in a timely manner.
- Establish comprehensive guidelines for local authorities prioritizing the anti-corruption and fiscal transparency measures.
- Establish reporting procedures based on performance and expected outcomes with measurable indicators to ensure efficiency and effectiveness in the manner in which the local authorities allocate and disburse COVID-19 funds.
- Enhance coordination among DoPH, Mustofiat and the provincial COVID-19 committees for the purchases related to COVID-19 to increase effectiveness in expenditure and mitigating duplication.
- Improve transparency and accountability through reporting publicly through online portals.
- Strengthen oversight during budget execution through audits by the Supreme Audit Office.
- Ensure continuous monitoring of COVID-19 relief funds through publicly elected bodies such as Provincial Councils.

Civil society

- Mobilize and monitor the COVID-19 emergency relief process at the national and subnational levels.
- Strengthen transparency and accountability in the allocation and disbursement of COVID-19 relief funds by demanding that local authorities publish information related to the management of combating COVID-19 and accounting for the allocation and expenditure of earmarked funds.

International Donors

- Introduce or re-activate coordination amongst international donors to strengthen COVID-19 response strategies.
- Conduct needs assessments and allocate international assistance based on the actual needs of the beneficiaries.
- Establish clear performance indicators and expected outcomes of COVID-19 emergency relief.

Private Sector

- Given the social and societal implications of poor medical supplies, private sector associations such Afghanistan Chamber of Commerce and Industry should ensure that its members comply

with adequate degrees of transparency and integrity in the provision of public health goods and service.

Religious Institutions

- Increase awareness of the risk of COVID-19 and discourage unnecessary gatherings and close personal contact.
- Institute protocols for social distancing and hygiene during group prayers and other religious ceremonies.