

In the Name of God, the Most Merciful, the Most Kind



July 30, 2018

Imran Khan's Victory: An opportunity or Threat to Afghanistan

Pakistanis went to the polls on Wednesday, July 25, to elect another National Assembly for a five-year term. The general mood among observers seemed of great concern before the election. Political analysts hold this was for three reasons: First, the run up to the elections was filled with reports of impediments to the course of normal democratic politics. Some media frequently put it saying that violence and claims of election-rigging overshadowed Pakistan's election. Pakistan political parties including The Pakistan Muslim League (Nawaz) group (PML-N) kept complaining that its supporters were arrested ahead of former Prime Minister Nawaz Sharif's return home on July 13 to be jailed on corruption charges; Further, the Pakistan People's Party (PPP) said their workers were stopped from holding rallies. Some analysts speculated that the military shaping the environment ahead of the polls to favor Imran Khan, head of the Pakistan Tehreek-e-Insaf (PTI).

Second, there were many reports on Media members, limitations on the media, and the reports of self-censorship as a result had created a media environment incapable of covering parties, the problems, and the election in a free manner.

Third, political observers hold that, Pakistan for this general election allowed the candidates of people with known and suspicious ties to internationally-designated terrorist groups and violent sectarian outfits.

Imran Khan's Victory as an opportunity for Afghanistan

There will be many opportunities including rapprochement with India to working with the United States to end the war in Afghanistan. As Khan has highlighted in his preamble to the foreign policy section of his speech, Pakistan's economic crisis and the need for the country, as a result, to make peace with all its neighbors are the core issues that have direct impacts on Afghanistan. This is obviously an ambitious goal but one that has eluded Pakistan for decades. Based on this agenda, he shall address a wide range of issues to put Pakistan's economy on the right track. To this end Pakistan needs to have good relations with China, to enjoy the lessons of China to lift Pakistan out of poverty, to have good relations with Afghanistan with open borders to have access to the Central Asian countries, to have good relations with the United States, to enjoy the generous funds of the United States, and change the one way relationship as he puts it to a balanced relationship. Khan has highlighted his desire to improve trade and commercial ties to benefit both countries and reduce poverty. As Afghanistan has very friendly to strategic relationships to the above mentioned countries, if Khan pursues his foreign policy on economic development of Pakistan, it would benefit Pakistan, Afghanistan and the region and beyond.

Imran Khan's Victory as a threat for Afghanistan

Some political affairs experts see no positive changes in Pakistan's policy towards Afghanistan under the new government, because what they hold that the country's foreign policy is 'controlled' by the military. Political analysts say that Imran Khan has good relations with extremist groups including the Afghan Taliban and HN, and in the past the former cricketer has widely supported the Taliban insurgency in Afghanistan. Further, they say that since Khan is in a position to form a weak coalition government and thus he would peruse the agenda of military for political sustainability in Pakistan. In addition, some political analysts emphasize that the Afghan government should continue its old policy and globally promote Pakistan's careless behavior and non-cooperative role supporting the terrorist groups in Afghanistan. In addition, political analysts said that Pakistani politicians after reaching powers had always given positive comments about Afghanistan but they have continued the same policy in practice. They held that Pakistan civilian government was not in a position to pursue a different policy from the military policy of Pakistan. As a result, political analysts hold that Imran Khan's government was not able to bring peace to Afghanistan.

There have been mixed responses in Afghanistan on Imran Khan's election victory. Political analysts' foresee opportunities and threats for Afghanistan due to this victory. However, the Afghan government and nation welcomed the ex-cricketer hero's vowing to nurture cordial relations with neighboring countries, including Afghanistan, India and the, USA and Iran. Afghanistan expects Imran Khan to come forward with a solid plan to integrate this region, as he has pledged, economically and to transform the hostilities to regional cooperation.



Unlocking Private-Sector Funds for Sustainable Development

By Mahmoud Mohieldin and Svetlana Klimenko

For the last three years, dozens of countries have gathered each July to present their national plans to achieve the Sustainable Development Goals (SDGs). At the latest of these United Nations High-Level Political Forums, governments rolled out impressive blueprints – almost none of which included realistic budgets or revenue sources.

Estimates of the development investment gap are typically in the trillions of dollars, while official development assistance is hovering around \$140 billion per year. One effective way to help close this funding gap is to catalyze substantial investment from the private sector.

The private sector has long played an integral role in poverty reduction and economic development – a role that extends well beyond finance. Private companies create 90% of jobs (the most effective way to lift people out of poverty) in the developing world and facilitate improved efficiency, technological adoption and innovation, and the distribution of goods and services.

Private-sector financing of the SDGs would occur via established institutional investors, including pension funds, sovereign-wealth funds, and insurers, which together represent trillions of dollars of "patient capital." Yet, as it stands, institutional investors allocate only a small share of assets to so-called impact investing, while channeling huge sums toward a relatively small number of public companies.

The key to achieving the SDGs is thus to impel public companies – especially the large firms that receive the majority of institutional investment – to account for environmental, social, and governance (ESG) criteria relevant to the SDGs in their decision-making. This approach recognizes the need to adopt a long-term perspective when implementing the SDGs, even as we respond to their urgency.

The good news is that ESG-anchored investing is already on the rise, with most of the major institutional investors integrating ESG factors into their investment strategies, at least to some extent. The 2016 Global Sustainable Investment Review reported that \$22.89 trillion worth of assets were "being professionally managed under responsible investment strategies" worldwide, up 25% from 2014. Europe accounted for \$12 trillion, and the US total was \$8.7 trillion, though the highest growth rates were in Japan and Oceania.

Viewing ESG awareness as a way to mitigate risk and even as a source of upside opportunities, institutional investors are seeking to bring this approach into their mainstream activities. This bodes well for the SDGs, but there are still important challenges to overcome, beginning with an inadequate understanding of the link between ESG standards and the SDGs.

Only a few investors and businesses are currently using SDGs as the basis for sustainability-focused strategies. But the only way to boost shareholder value and contribute to meeting the SDGs is for companies and investors to ensure, in advance, that they focus on ESG standards that are both material to their industry or business and useful to advance the SDGs.

In a recent paper, Gianni Betti, Costanza Consolandi, and Robert G. Eccles map the relevant ESG issues identified by the Sustainability Accounting Standards Board (SASB) in 79 industries in ten sectors, grouped by SDGs. Companies that use this kind of mapping will understand to which SDGs they would be contributing – down to the target level – by performing well on their chosen ESG criteria.

By reviewing data on companies' ESG performance, investors can see how their funds are contributing to achieving the SDGs. Based on this information, they may decide to reallocate their resources or to engage with better-performing companies.

In 2016, Mozaffar Khan, George Serafeim, and Aaron Yoon created portfolios of companies that were performing well and poorly on the material issues in their industry. The firms with the highest annualized active return (alpha) of 4.8% were performing well on the material issues and poorly on the immaterial issues. Those with the lowest alpha, -2.2%, were performing poorly on both. Critically, however, the divergences did not start to appear until after 7-8 years.

This demonstrates that executives must balance attention to short-term performance with a long-term perspective. That includes an understanding of which ESG issues will be material to their industry in the future, and which SDG efforts in those areas they may serve to advance.

Investors could consider taking a long-term view with regard to the financial performance of their ESG-based portfolios. They can expect periodic reports on ESG performance and its contribution to the relevant SDGs – just as they receive periodic reports on financial performance – in order to monitor progress and make adjustments if needed.

In many ways, private firms are already contributing to the SDGs, but they are doing so in an ad hoc manner that is not adequately labeled or targeted. By creating smart, comprehensive, and clearly defined strategies, private companies can not only get credit for their efforts; they can also help governments to establish realistic budgets and clear financing plans for the SDGs.

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The Economic Benefits of Family Planning

By Natalia Kanem

The decision to start a family is one of the most important choices a person can make. It is also a fundamental human right; only individual adults should have the power to decide whether, when, or how often to conceive. And yet, for millions of people around the world, this right remains unrealized.

More than 200 million women in developing countries who want to delay or avoid pregnancy are not using modern contraception. Women who are poor, less educated, or live in rural areas can face significant economic, cultural, and institutional barriers to birth control, and often turn to dangerous forms of pregnancy prevention out of desperation. If women had universal access to voluntary family-planning information and services, maternal deaths could be reduced by as much as three-quarters and infant deaths by as much as a fifth.

But family planning does more than save lives; it also saves money. For every dollar invested in reproductive health services, \$2.20 is saved in pregnancy-related health-care costs. Moreover, the longer a woman waits to have children, the longer she can participate in the paid labor force, thereby boosting the economic health and prosperity of poor communities.

Some governments have already recognized these benefits and are allocating funds accordingly. In Thailand, for example, the Ministry of Health has increased its family-planning budget on the grounds that the added spending now will reduce health-care costs later.

The Thai authorities' assessment is correct; when developing countries make investments that empower young people to start a family only when they are ready, birth rates fall and the share of the working-age population increases relative to the dependent population. These so-called "demographic dividends" are forecast to be particularly high for countries in Sub-Saharan Africa, where roughly a third of the population is between the ages of ten and 24.

Still, despite the many advantages associated with family-planning services, too many countries continue to underfund this vital portion of their health-care systems. The Reproductive Health Supplies Coalition, a global re-

search and advocacy group, estimates that developing countries face a \$793 million funding gap for contraception supplies over the next three years. For poor women in particular, government-funded services are often the only option for safe and effective family-planning solutions. When public programs are not available, the ability to plan for a family is weakened and the rate of unintended pregnancies increases.

Investment in human capital, when accompanied by sound economic policies and robust labor markets, produces significant gains for developing economies. Fully funding the family-planning needs of poor countries would lift millions out of poverty, improve rates of educational attainment, and help close the gender pay gap in the Global South. For these and many other reasons, the United Nations Population Fund (UNFPA) is fully committed to supporting countries' efforts to uphold the right of individuals – and especially women – to choose whether and when to have children.

By 2030, UNFPA aims to ensure that women everywhere can access family-planning services without fear of consequence or cost. But we cannot do this alone. Leaders in government, the private sector, and civil society must join us in working toward this ambitious goal.

Developed countries could solve the global family-planning funding shortfall for a mere 20 cents per person per year, a bargain given the projected returns for individuals, families, and economies. In addition to increased spending, new policies, laws, and implementation of existing regulations will be needed to help protect women and to empower young couples.

Efforts to broaden access to family-planning services and care are not new. Fifty years ago, at the International Conference on Human Rights held in Tehran, the global community declared that "parents have a basic human right to determine freely and responsibly the number and the spacing of their children." At the time, that idea was visionary; we now know that realizing it is a condition of successful development.

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