



AFGHANISTAN'S HUMANITARIAN CRISIS

Steps to deaccelerate the situation



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Table of Contents

Introduction.....	Page 3
Aim of Joint Study	Page 4
Key Challenges.....	Page 4
Recommendations for Afghan Government & International Community	Page 6

Introduction

Since the Taliban took over Afghanistan on August 15, the country - already struggling with drought and severe poverty from decades of war - has seen its economy all but collapse. As per the UNHCR Report published in September, 2021 the number of Afghans who fled from their homes to other parts of the country or abroad have reached 3.5 million, out of that around 340,00 have fled the country in two months. These facts highlight that millions of dollars have also been taken with these Afghans abroad; businesses are closed or affected, trade has reduced, daily market activities reduced and as a whole, the economy is on the verge of a breakdown.

On the other hand, most of the foreign aid that was supporting the Afghan economy has been cut off or suspended. Major donor organizations such as the World Bank, ADB, IMF and many others have called off their operations in Afghanistan and have given up on supporting any activity in Afghanistan. Although humanitarian aid is an exception, it also needs proper planning, coordination and logistics. The lack of commercial flights, means the supplies needed to be taken in on special flights or by road. Additionally, the Taliban Government is not able to govern and handle the crisis well. Mismanagement of resources, lack of relevant experience, absence of NGOs and other organizations to assist have weakened the Government to cope with the crisis.

The brain drain taking place from the past two months has created a vacuum of technical expertise to run the Government agencies and provide basic services to the people. Furthermore, the private sector has also abridged its activities due to the lack of demand and also dearth of political and physical assurance from the Taliban Government. Moreover, the banking sector has witnessed a major setback and they have to limit weekly transactions by the account holders to avoid the draining of wealth from the banks. These limitations have also affected the private business, local markets and the common people of Afghanistan. As per the Afghan Chamber of Commerce and Industries, the real estate market has faced a severe fall and same is the case with other major assets such as cars and property.

Therefore, there is a dire need to stop the current humanitarian crisis from further escalation and take all the necessary steps to deaccelerate the economic breakdown in the country. The Government of Afghanistan, regional partners, donor organizations and the international community need to take the following steps to help stabilize the conditions in Afghanistan and evade major turmoil.

Aim of the Joint Study

The aim of this joint study is to find solutions and recommendations for the regional countries by giving solid proposals aimed at avoiding chaos in the aftermath of the current situation in Afghanistan. In order to understand the joint perspectives for concrete recommendations for policy makers and the government, this study will provide a blueprint for future course of action.

Key Challenges

Afghanistan faces crises of massive proportions, in the aftermath of the US departure from the country. The major challenge for the country is the serious economic downturn which has thrown the vulnerable population into the throes of a dilemma. The refugee crisis, poverty, hunger, joblessness and uncertainty mark the recent situation in the country. Collective and urgent measures are required in order to avert the ongoing humanitarian crisis in the country. The governance and economic decline, with a lack of capacity of the Taliban government to pay salaries is all adding to the crisis. According to the United Nations development agency, Afghanistan is already one of the poorest nations, with 72 percent living on no more than one dollar a day and sinking below the poverty line.¹In addition to the current situation, the population in Afghanistan has already been affected by Covid 19, followed by the political transition, resulting in collapsing financial crises, rising poverty and frozen foreign cash reserves. A severe drought in the summer of 2021 affected millions of farmers in Afghanistan, according to the UN Food and Agriculture Organization (FAO). There needs to be a regional consortium aimed at finding mechanisms as the challenges are;

- Dysfunctional/failed economy
- Economic collapse has led to rising prices and is a great challenge in terms of malnourishment
- Brain drain from Afghanistan is leading to create a vacuum of capable and qualified human resources to run the Government bodies and Non-Governmental agencies
- Crumbling Public Health Sector
- IDPs
- The impact of conflict and instability on women and children is a significant challenge
- The current situation has threatened a new wave of displacement
- Inexperienced leadership in the Governmental bodies and departure of former bureaucrats and technocrats from Afghanistan, leading to Governance issues
- Water and food security challenges
- The sanctions imposed by the UNSC, EU and others are also a big hurdle as they can complicate the delivery of assistance.

¹ 97 percent of Afghans could plunge into poverty by mid 2022, UNDP, September 9, 2021
<https://www.undp.org/press-releases/97-percent-afghans-could-plunge-poverty-mid-2022-says-undp>

Recommendations for Afghan Government & International Community

There needs to be a regional consortium aimed at finding mechanisms, while Afghanistan's regional neighbors have individually provided development assistance, focus can be laid on creating a regional consortium amongst Afghanistan's immediate neighbors. It can be a joint mechanism which will prevent one country from having leverage over others. This will have a twofold effect; one is to provide much needed aid and also provide some leverage on the Taliban to deliver on their pledges of reform. This regional umbrella can later be expanded to include trade, connectivity and capacity building. The regional actors can help in the following areas:

- **Promoting Trade / Transit in Afghanistan:**

Since August this year, imports from Afghanistan to Pakistan are higher than exports from Pakistan to Afghanistan. The Chaman-Spin Boldak border has also reopened after talks with the Taliban and will remain open throughout for trade activities. It is a great leap forward for Afghanistan's economy: historically Pakistan's exports to Afghanistan used to be higher. The major portion of exports exported from Afghanistan was bought by India (47.5pc) and Pakistan (34.5pc)². At 97.1pc, Afghanistan's exports were concentrated in Asian countries while the remaining 2.2pc were sold to European importers. Similarly, the daily export-import data between Afghanistan and Pakistan shows that there has been cross border movement of trucks via the Torkham and Chaman border crossings. The total number of trucks that have crossed the Torkham border until mid-November, 2021 have been 436. Similarly, 306 trucks have crossed the border including those carrying exports and the ones bringing imports between the two countries. The Torkham and Chaman border crossings have also been used for the transit containers as well.

Re-opening of the borders, activation of our Border customs and supporting our traders to help increase the trade and transit in Afghanistan. This will help provide the basic necessary goods at affordable prices in Afghanistan, as well as the exports will help the economy and local businesses as well.

- **Industrial revival by providing aid to local industries and SMEs (Small and medium enterprises):**

As per the Afghan Chamber of Commerce, over 5,000 industries (small and Medium) were active before the fall of Government and currently more than 2,000 enterprises are inactive and the rest also trying to survive in very critical conditions. Lack of imported raw materials, trade/custom problems, and fall in the demand for produced commodities are some of the major reasons for the debacle of Afghan industries. Supporting the currently active enterprises, providing trade enhancement opportunities,

²The future of Pak-Afghan trade, Manan Bhatti, Dawn News, Oct 2021
<https://www.dawn.com/news/1653922>

providing subsidy on taxes may help revive the industries and also contribute in creating more job opportunities and economic stability of the nation.

- **Providing help with Community Development programs:**

Restoration of social NGOs, civil society and other social entities can help promote programs and initiatives relative to social/community development. Empowerment of the Community Development Councils (CDCs), local governance on district level so that the local elders can prepare their own priority list based on their conditions and seek support in the areas that they recommend or consider necessary. This will help gain more local support for the community development programs and the results will have higher impact.

- **Accelerating provision of food aid packages:**

Reaching out to all the countries who are willing to provide humanitarian aid, prioritizing the required goods and resources and better management of the aid logistics and distribution. Countries which have been at the forefront of providing aid to Afghanistan include Pakistan, Turkey, and UAE.

The UN launched a flash appeal to raise US \$600 billion for the country in September 2021, and saw \$US 1.1 billion pledged, however it remains to be seen as to how much is new money. Moreover, the fact is that only 35% of that needed for October and November has so far been delivered. The UK, US and the EU are among those to have announced new or amended aid pledges for Afghanistan. The UK has pledged £286 million for 2021, £30 million of which will be for Afghanistan's neighbors to support regional stability and refugees. Additionally, China had pledged \$ 31 million worth of aid along with emergency aid, including corona virus vaccines. Furthermore, Prime Minister Imran Khan of Pakistan approved Rs 5 billion humanitarian aid for Afghanistan on November 23, 2021.³ Prime Minister Khan also established a special body for coordinating Afghanistan-related matters as well. The United States pledged \$64 million in new humanitarian assistance to Afghanistan, bringing U.S. aid to Afghanistan to nearly \$330 million for 2021. The major hurdle is how this humanitarian aid will be delivered, managed and distributed in an effective manner. Due to the lack of relevant NGOs and social workers, management and distribution of this aid will be troublesome. Reactivation of some NGOs will be a good opportunity to outsource the distribution process. Other than these, the UN can support smallholder farming in the country through facilitation of

³ "PM Imran okays Rs 5bn humanitarian aid for Afghanistan," *Dawn*, November 23, 2021. <https://www.dawn.com/news/1659711#:~:text=ISLAMABAD%3A%20Prime%20Minister%20Imran%20Khan%20on%20Monday%20approved,the%20newly%20established%20Afghanistan%20Inter-Ministerial%20Coordination%20Cell%20%28AICC%29>

certain things like rejuvenation of food pipelines as well as assistance in food transportation.

- **Facilitation of Refugees trying to cross border and for safe return:**

With the assistance of UNHCR, IOM and other relative international agencies, the Government has to set up proper mechanisms for border crossing. Issue of visa/border pass, passenger registration and safe passage can help ensure the safety of refugees trying to enter/exit the nation.

- **Supporting the current Government:**

As the Taliban Government needs well equipped and experienced human resources to run the system and also manage this crisis. Providing the required staff members or funding them inside Afghanistan can support the ongoing Government activities and the aid management can be done effectively. The current Government has to be supported from inside as well as outside. Providing or funding much needed technical and managerial staff to run the day to day operational services such as power, water supply, sanitation, security, administrative and other activities as well as teams which can assist in the planning and development of the nation; by providing effective strategies, plans and policies. The Afghan Government needs to gain political support from the region and international community, secure its borders, reconstruct its armed forces, provide economic stability and also focus on opportunities that provide strategic development for the country and all these goals need domestic and international support.

- **Learning from past lessons:**

The Afghan Government has to learn from the past examples of tackling the Humanitarian crisis that took place in Afghanistan itself, Yemen, Syria, Libya and other countries. This will help to avoid repeated mistakes and increase the productivity of the campaign. For instance Syrian refugees are spread all across the Middle East, primarily focused on neighboring Turkey and Lebanon where they live in far from ideal conditions. Even though they have tried to integrate into society they face severe backlash from society. Moreover, Syrians are predominantly dependent upon banks in Lebanon and as a result are badly affected because of the current financial crisis in Lebanon. Furthermore, in case of Yemen, differing factions within the country and lack of a unified response within the Yemenis themselves have only fueled in-fighting leading to catastrophic conditions.

- **Donor Conference and support from International Community:**

Calling a donor conference with the involvement of the regional partners, international community and other stakeholders to reach a mutual agreement for providing the required funds and aid and for better coordination of the concurrent activities that has to take place soon. Due to mistrust between the Taliban and the international community, the UN can play a more constructive role in helping the developmental support become more effective and promising.