



ACFID Submission on Australia's Engagement in Afghanistan

The Australian Council for International Development (ACFID) appreciates the opportunity to provide this submission to the Senate Foreign Affairs, Defence and Trade References Committee as part of its Inquiry into Australia's Engagement in Afghanistan.

EXECUTIVE SUMMARY

Australia is proud to have worked over the past 20 years to assist Afghanistan in protecting itself from exploitation as a base for terrorist groups, to address inequality, and to contribute to improvements in the rights and livelihoods of women and girls... During the time Australia has been working in Afghanistan, we have seen significant improvements in school enrolments, access to basic health care and women's representations in politics, which has risen from zero in 2001 to 27 per cent in 2020. Maternal mortality has fallen, as has child malnutrition.

We know there is more to do, and our [Australia's] development and humanitarian commitments will be delivered in the coming years...

Statement on the Australian Embassy in Afghanistan, Prime Minister & Minister for Foreign Affairs and Women, 25 May 2021¹

Afghanistan is experiencing a severe humanitarian crisis which threatens regional and global security. With access to international funds frozen, the health sector on the brink, widespread hunger, drought, COVID-19 and ongoing violence and displacement, Afghanistan is at a high risk of state collapse. This would lead to even more extreme human suffering, regional instability, increased risk of terrorism, and a global refugee crisis. The Australian Government must act with speed and purpose to support global efforts to prevent collapse. It is the humanitarian thing to do and will strengthen Australia's national security.

Given Australia's military engagement and in-country diplomatic presence has ended, our humanitarian and development program is our only remaining avenue to engage directly on Afghanistan's future, both for the betterment of its people – including women and girls – and for improved regional and international security.

As the Prime Minister and Foreign Minister have acknowledged, Australia's development engagement over the past two decades has enabled strides in education outcomes, access to healthcare and women's rights and wellbeing. These "essential advances" risk being lost if Australia fails to stand by the people of Afghanistan and continue delivering development and humanitarian assistance.²

Continuing humanitarian and development operations in a Taliban-controlled Afghanistan is a vexed issue for all – the UN, donor countries, humanitarian and development organisations alike. It is uncomfortable, risky and dispiriting. But the alternative – certain reversal in economic, development and human rights gains, likely to result in state collapse – would pose even greater threat to Australia's

security and interests. We've seen this before in Afghanistan, under the previous Taliban government from 1996-2001.

Australia must be principled yet pragmatic when it comes to negotiating the political complexities of providing aid to Afghanistan, advocating for human rights, and encouraging inclusive governance. This includes advocating for a humanitarian exemption when the 1988 UNSC Sanctions against the Taliban are reviewed in December.

ACFID is seeking for the Committee to make strong recommendations to urge the Australian Government to provide increased humanitarian assistance and take steps to ensure that basic services continue to operate, including through development programs. Not only do we have a duty to stand by the people of Afghanistan as a former party to the conflict, but it is in Australia's national interest to do so. In particular, we must stand by Afghan aid-workers, including prominent activists and those who have worked on Australian aid programs. Those individuals are now at-risk and should be considered as a priority cohort for the granting of humanitarian visas.

SUMMARY OF RECOMMENDATIONS

ACFID has provided a series of recommendations for the Committee to consider as part of its inquiry. They are centred on action the Australian Government should take.

1. Prioritise Afghanistan in Australia's long-term aid and development programming. Despite the end of our military and diplomatic missions, Australia must not turn its back on the people of Afghanistan.
2. Ensure that at-risk Afghan aid-workers who have worked to delivery Australia's aid program are considered as a priority cohort for the granting of humanitarian visas and permanent resettlement in Australia.
3. Increase Australia's humanitarian refugee intake by 20,000 additional places for people at-risk fleeing Afghanistan, extend permanent protection to all Afghan refugees currently in Australia and support family reunifications.
4. Provide \$100m per annum in humanitarian funding as part of a multi-year country strategy and assistance package that responds to the root causes of the protracted crisis in Afghanistan.
5. Fund Australian NGOs and Afghan civil society to implement a multi-year, locally led development program that focusses on advancing the rights of women and girls.
6. Promote and enable a principled approach to working in Afghanistan which protects the rights of vulnerable communities, enables basic services to function, and facilitates access for humanitarian actors. This includes supporting efforts to include a humanitarian exemption in the 1988 UNSC Sanctions Regime against the Taliban.
7. Support more robust accountability and monitoring mechanisms to ensure that the Taliban uphold their commitments to human rights and inclusive governance.

ABOUT ACFID

Founded in 1965, ACFID currently has 130 full members and 22 affiliates operating in more than 90 developing countries. The total revenue raised by ACFID's membership from all sources amounts to \$1.86bn (2018-19), \$701m of which is raised from over 1.26 million Australians. ACFID's members range between large Australian multi-sectoral organisations that are linked to international federations of NGOs, to agencies with specialised thematic expertise, and smaller community-based groups, with a mix of secular and faith-based organisations. A list of current ACFID members is provided at Appendix A.

ACFID members must comply with the ACFID Code of Conduct, a voluntary, self-regulatory sector code of good practice that aims to improve international development and humanitarian action outcomes and increase stakeholder trust by enhancing the transparency, accountability and effectiveness of signatory organisations. Covering 9 Quality Principles, 33 Commitments and 92 compliance indicators, the Code sets good standards for program effectiveness, fundraising, governance and financial reporting. Compliance includes annual reporting and checks. The Code has an independent complaint handling process.

A summary of current Australian NGO operations in Afghanistan, prior to the Taliban takeover of the country in July-August 2021, is included at Appendix B.

PART ONE: AUSTRALIA'S TWENTY-YEAR DEVELOPMENT ENGAGEMENT IN AFGHANISTAN

Afghanistan has been a centre of conflict, insecurity and forced displacement for the past four decades (dating back to the Soviet invasion of 1979), with enormous ramifications for the country's human, physical, social and institutional infrastructure.³ International NGOs have been operating in Afghanistan since the 1960s but increased their humanitarian assistance in the wake of the Soviet invasion in 1979. They operated during the last Taliban regime 1996-2001, and during the years of allied efforts to the current Taliban regime.⁴

A summary of current Australian NGO operations in Afghanistan, prior to the Taliban takeover of the country in July-August 2021, is included at Appendix B.

The Australian Government's development engagement in Afghanistan prior to the terrorist attacks of 11 September 2001 was relatively small. AusAID's annual budget for Afghanistan was \$5m or less between 1994 and 2001,⁵ with landmine action being the central focus.⁶

The 2001 attacks provoked a wide-ranging response, focused on the desire never to allow Afghanistan to again become a safe-haven for terrorism. While this response was initially military in nature, it was recognised in the 2003 Foreign and Trade Policy White Paper—with specific reference to Afghanistan—that non-military measures, including capacity-building assistance, would be essential to a sustained response to terrorism.⁷ The 2017 Foreign Policy White Paper further argued that '[t]he security and stability of Afghanistan will continue to be vital in containing the threat from international terrorism'.⁸

Evolution of Australia's development engagement

In 2012 and 2013, the Committee conducted an extensive inquiry into 'Australia's overseas development programs in Afghanistan' and identified that the evolution of Australia's development engagement in Afghanistan to that point had consisted of three phases.⁹

Phase One, between 2001 and 2005, was characterised by modest levels of investment (peaking at \$26.5m a year) delivered almost exclusively by AusAID and the Department of Immigration and Citizenship. The focus was on humanitarian assistance for displaced and food insecure Afghans, and on supporting the transition to a democratic Afghanistan (including through support to elections in 2004 and 2005). Financial support was primarily provided through multilateral institutions, including the World Food Program, UNICEF, the International Committee of the Red Cross, the Office of the United Nations High Commissioner for Refugees, and the International Organization for Migration.

Phase Two, between 2006 and 2009, involved a considerable escalation in the levels of investment and in-country presence. In 2006, the Australian Defence Forces deployed 400 troops as part of the Dutch-led Provincial Reconstruction Team in Uruzgan, where Australian combat troops were concentrated. In 2007, Australia's embassy in Kabul opened and administered a small grants scheme, the Direct Aid Program, in Afghanistan. Broader Australian investment focused on building the capacity of the Afghan government to provide security and deliver essential services, including in health, education, and infrastructure.

Phase Three was identified by the Committee as running from 2010 to 2012. It was characterised by further increases in Australian ODA investment in Afghanistan (and, indeed, represented the peak of our investment), with a twin focus on basic service delivery at the national level and continued sub-national support to Uruzgan. Support to Uruzgan Province represented approximately 20% of the overall Australian investment in Afghanistan during this period.¹⁰ When the Netherlands withdrew from

Uruzgan in 2010, Australia assumed leadership of the Provincial Reconstruction Team and led on projects to construct or restore important infrastructure (from schools and health clinics to roads and bridges), and to build the capacity of public servants in the provincial government.¹¹ Australia deepened its investments in training the Afghan National Army and the Afghan National Police, including through a notable increase in the deployment of civilian personnel (including AFP officers).

ACFID has identified and summarised two further phases in Australia's development engagement since the Committee's report in May 2013.

A **fourth phase** ran from 2013 to 2014 and was characterised by a sharp reduction in Australia's overall engagement in Afghanistan. In 2013, Australia withdrew all troops from its main base in Afghanistan, Tarin Kot in Uruzgan Province.¹² Other Australian assistance to Uruzgan also came to an end, with the closure of the Uruzgan Provincial Reconstruction Team at the end of 2013 and the winding down of Australian development programs in the province (which concluded completely in 2015).¹³ Australia's aid assistance would henceforth focus entirely on programming at the national level.¹⁴ The International Security Assistance Force also disbanded during this phase, in 2014, with responsibility for security transferring to the Afghan government. These events were accompanied by reductions in development support and associated staffing from Australia,¹⁵ and the end of development assistance provided by the Australian Federal Police and the Department of Immigration and Border Protection.¹⁶ It also coincided with a deteriorated security situation in Afghanistan, reduced economic growth, a fiscal crisis in 2013-14 and 'a level of administrative and political paralysis consequent to the drawn out negotiations to establish a Government of National Unity'.¹⁷

The **fifth phase** ran from 2015 until 2021 and has been characterised by a 'maintenance level' of development assistance from Australia. According to a 2015 DFAT assessment, as a 'medium[-]size donor in the country' that no longer assumed a leadership role in relation to any geographical area, Australia has focused its assistance on pooled funding mechanisms and 'niche areas where we can add the most value',¹⁸ such as agricultural research. More broadly, the focus of investment has been on economic growth, effective and accountable governance, enhanced security, the empowerment of women and girls, and supporting at-risk populations. The last part of this phase coincided with the onset of the COVID-19 pandemic which has wrought havoc on the Afghan health system and devastated economic growth, with Australia contributing to the international response through the COVID-19 Multi-Sector Country Plan developed by OCHA with WHO assistance.

The Committee's present inquiry occurs in the early stages of a **sixth phase**, which commenced with the closure of the Australian Embassy in Kabul in May 2021 and, of course, the withdrawal of foreign troops and concomitant collapse of the Afghan government in August. Although it remains to be seen what Australian development assistance will look like in this new phase, current budget estimates suggest a further reduction in Australian support (see Figure 1 in [Appendix C](#)).

Funding and modalities

Throughout the past two decades, Australia has used a number of channels to distribute ODA in Afghanistan, typically seeking to find a balance between pooled funding mechanisms and more traditional bilateral development programming. The Australian Government has explained that, through this balance, 'we have the benefits of engaging with other donors in the large state-building programs (with the trade-off that our visibility is reduced) but also are able to run more nimble aid programs that work to address poverty at the community level'.¹⁹

Pooled funding mechanisms have typically made up the majority of Australia's development investment in Afghanistan; such mechanisms comprised 65% of Australian aid in 2013-14,²⁰ 57% in 2014-15,²¹ 75% in 2016-17,²² and 66% in 2017-18.²³ Development support of this nature has primarily been provided through the World-Bank-administered Afghanistan Reconstruction Trust Fund, as well as the Law and Order Trust Fund for Afghanistan (LOTFA) managed by the United Nations Development Program.²⁴ Australia has provided more than \$1.26bn in ODA support to LOTFA since 2001 to support the capacity of the Afghanistan Government to maintain the security required for economic and social development,²⁵ in particular through the improvement of salary and payroll systems, the building of key infrastructure, and the training of police officers.²⁶ Australia has also contributed humanitarian funding through organisations including OCHA, WFP and UNFPA.²⁷

The Afghanistan Reconstruction Trust Fund (ARTF) has been Australia's 'most significant aid investment in Afghanistan',²⁸ with the government having contributed or budgeted for \$584.1m in contributions to the ARTF, starting in 2003 and running through to 2024.²⁹ 97% of ARTF funding flowed through two 'windows' directly to the Afghan government budget.³⁰ The Recurrent Cost Window supported the government's recurrent civilian operating costs, including public servant salaries, and 100% of this support has been incentivised against the achievement of agreed financial and fiduciary reforms since 2018. The Investment Window financed individual development projects that supported the national development strategy and were funded through the government's development budget, with a focus on poverty reduction, service delivery, social inclusion, economic growth, job creation and effective governance and has been the largest single source of funding for Afghanistan's development since 2002.³¹

'Traditional' bilateral development programs have made up the remainder of Australian ODA investment in Afghanistan. These programs have tended to focus on areas where Australian expertise is of particular relevance, and have been delivered by Australian government agencies, international and national NGOs, and UN agencies.

Australian government agencies were prominent in the delivery of Australian assistance in Afghanistan until 2014 (see 'Phase Four', above). ODA-eligible expenditure by the Department of Defence was delivered through the Provincial Reconstruction Team in Uruzgan and focused on the construction of community infrastructure and the development of construction-related skills amongst the population;³² ADF development activity would account for 20% of Australian ODA to Afghanistan in 2007-08 and 2008-09.³³ The Australian Federal Police focused on training and other capacity-development activities for the Afghan National Police. The Department of Immigration and Citizenship provided support to migration management and border security capacities, in particular to improve the technical processes of the Afghan passport-issuance system.³⁴ Since 2014, it appears that the only development assistance delivered directly by Australian government agencies has been the Afghanistan Agricultural Research Portfolios program, delivered by the Australian Centre for International Agricultural Research (ACIAR), which has supported Afghan farmers to lift productivity and reduce post-harvest losses through research on issues including sustainable wheat and maize production, water management and livestock productivity.³⁵

Both before and after 2014, **international and national NGOs, as well as UN agencies**, have also delivered Australian development assistance. The Afghanistan Ending Violence Against Women Program, for example, is the largest program of its kind in Afghanistan.³⁶ Delivered jointly by UN Women, UNFPA, The Asia Foundation, The Afghan Women's Network and the Afghanistan Independent Human Rights Commission, the program provides support for women's shelters and

other support services, access to justice for women, change community attitudes towards violence, and advocacy for the protection of women’s rights. Likewise, the Australia Afghanistan Community Resilience Scheme is delivered through five international NGOs (Action Aid Australia, the Aga Khan Foundation Afghanistan, Oxfam Australia and World Vision Australia) to improve the livelihoods and resilience of rural communities in eight provinces by promoting improved agricultural practices, building more responsive and inclusive institutions, and supporting market linkages.³⁷

Objectives and results

Part A of the Inquiry Terms of References seeks comment on Australia’s development engagement in Afghanistan, with reference to “our success in achieving the Australian government’s stated objectives.” Since 2010, the Australian aid and development program in Afghanistan has had four sets of objectives, as set out below. The common theme running through all thirteen individual objectives has been the ambition ‘to contribute to the shaping of Afghanistan’s future as a stable, prosperous and inclusive state’.³⁸

Period	Australian Aid Program Objectives in Afghanistan
2010-2014 ³⁹	<ol style="list-style-type: none"> 1. enhancing basic service delivery in health and education 2. supporting rural development and livelihoods 3. improving governance and the effectiveness of the Afghan Government 4. supporting vulnerable populations
2014-2018 ⁴⁰	<ol style="list-style-type: none"> 1. supporting the Afghan Government to achieve economic growth and institute more effective and accountable governance 2. empowering women and girls by addressing barriers to their social, political and economic participation 3. building resilience and supporting at-risk populations
2018-2020 ⁴¹	<ol style="list-style-type: none"> 1. A more peaceful, inclusive and responsive Afghan state 2. Security conditions for economic recovery are strengthened 3. The lives of vulnerable Afghans are improved through targeted Australian support
2020-2022 ⁴²	<ol style="list-style-type: none"> 1. Support the international effort to reduce the effects of COVID-19 amongst Afghanistan’s most vulnerable 2. Contribute to peace and stability in Afghanistan, focussing on participation of women 3. Support recovery from COVID-19 through Afghanistan’s strategy for economic self-reliance

Each year, DFAT annual reporting gives a three-tiered rating of progress against each objective. In the period 2010-2019, the aid program to Afghanistan was given an accumulated total of:

- 14 green ratings (45%), signifying that ‘[p]rogress is as expected at this stage of implementation and it is likely that the objective will be achieved’;
- 16 amber ratings (52%), meaning that ‘[p]rogress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved’; and
- One red rating (3%), meaning that ‘[p]rogress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities’.

Demonstrably, Australia’s aid program in Afghanistan is incomplete and there is critical work that remains to be delivered. Afghanistan ‘remains one of the poorest and least developed countries in the world, where conflict severely limits the provision of services, and gender inequality and violence

against women are endemic'.⁴³ More than 80% of Afghan women are illiterate, 87% experience at least one form of physical, sexual or psychological violence in their lifetime, and 62% experience multiple forms.⁴⁴

Despite the present challenges, there is clear evidence that foreign aid in Afghanistan has delivered improved development outcomes. Prior to the collapse of the Afghan government in August 2021—the development investment by the international community as a whole yielded strong results. Afghanistan had:⁴⁵

- Achieved some of the fastest economic growth across low-income countries in the period 2001-2018, with real per capita incomes increasing by 75%;
- Expanded government revenues from 3% of GDP in 2002 to 14.5%;
- Maintained the lowest level of public debt of any low-income country;
- Increased life expectancy from 44 year to 61 years for males and 64 years for females;
- Reduced maternal mortality rates from 1,100 deaths per 100,000 live births in 2000 to 396 in 2015, as well as reduced child mortality rates from 191 per 1,00 live births in 2007 to 49 per 1,000 live births in 2018;
- Expanded school enrolment rates from 0.8 million to 9.2 million;
- Achieved an increase in the adult literacy rate from 28% to 43%, and an increase in the youth literacy rate from 47% to 65% in the period 2011-2018.

In recent months Prime Minister Morrison, Foreign Minister Payne and Defence Minister Dutton have acknowledged the significance of these achievements and vowed to continue Australia's development assistance to the people of Afghanistan to ensure development gains are protected.⁴⁶

With the departure of the Australian Defence Force, the Australia-Afghanistan relationship is beginning a new chapter of our diplomatic relationship, established in 1969. We will continue our close friendship, and support our shared aspiration of peace, stability and prosperity. We will continue our development assistance program to work to preserve the significant gains made by the Afghan people, in particular advancing the rights of women and girls.

Minister Payne, Statement on visit to Afghanistan, 10 May 2021

While the Taliban takeover may have occurred more swiftly than anticipated, this should not undermine Australia's resolve to uphold our repeated promises to stand by the people of Afghanistan.

Australia should be constructive and pragmatic, working with the international community to find ways to continue achieving development outcomes in partnership with civil society in Afghanistan. Maintaining commitment to the original objectives of Australia's development engagement is not only a moral and policy imperative, but it supports Australia's security interests and may also mitigate damage to Australia's reputation, particularly in light of the

twenty-year anniversary of engagement in October 2021 and the ongoing Brereton Inquiry.

Recommendation 1: Prioritise Afghanistan in Australia's long-term aid and development programming. Despite the end of our military and diplomatic missions, Australia must not turn its back on the people of Afghanistan.

PART TWO: AUSTRALIA'S PREPARATION FOR WITHDRAWAL FROM AFGHANISTAN

Supporting at-risk Afghan aid workers

Australian NGOs operate with their affiliates and local partners in Afghanistan and, when combined, are connected to thousands of Afghan aid and development workers. Some have been employed on Australian Government contracts through programs like the Australian NGO Cooperation Program, Australia Afghan Community Resilience Scheme, and education programs in Uruzgan.

Due to the nature of this work — programs supporting women's education, inclusive development, civic participation and rights — some Afghan Aid workers employed by Australian NGOs have faced a high-risk of persecution and Australia has an obligation to help them reach safety.

As the Taliban took control of some provinces and approached the capital city of Kabul in August 2021, many aid agencies sought to draw attention to the worsening humanitarian situation and the risks facing their staff on the ground. Once the Taliban took control of Kabul, these individuals were at an even greater level of risk and in immediate need of evacuation.

From 15 August 2021, when international evacuation missions commenced, ACFID worked with its members to try and help at-risk staff to obtain visas and leave the country. We did this by raising their cases with the Department of Foreign Affairs and Trade. We are aware of two cases in which an Afghan aid worker and their dependants were assisted to evacuate successfully.

Subsequently we encouraged NGOs to submit 202 humanitarian visa applications for Afghan Aid workers at risk to the Department of Home Affairs, supported by refugee legal aid services. This work is ongoing. We have requested to the Minister for Home Affairs that Afghan aid workers considered at-risk are considered as a discreet cohort in the application and resettlement process.

At the time of writing, only a handful of these individuals and their families have been granted visas, and even fewer have managed to leave Afghanistan. As far as ACFID is aware, Australian NGOs operating in Afghanistan were not directly consulted on or informed in advance of the government's decision to withdraw its military and close the Australian embassy.

We strongly urge the Australian Government to consider the protection needs of those people who have worked shoulder-to-shoulder with Australian NGOs and DFAT on Australian development programs over many years. This cohort represents a very small proportion of local Afghan staff who work with Australian agencies. Of ACFID's total membership, eight agencies are supporting approximately 209 applications for aid workers who are at particularly high risk now that the Taliban is in control. The evacuation of this small cohort will not prevent humanitarian and development work continuing. Australian aid agencies remain on the ground and are committed to staying in the country and supporting the people of Afghanistan.

Recommendation 2: Ensure that at-risk Afghan aid-workers who have worked to delivery Australia's aid program are considered as a priority cohort for the granting of humanitarian visas and permanent resettlement in Australia.

Increasing support for Afghan refugees

ACFID welcomes the Government's prioritisation of 3,000 places for Afghan refugees in our humanitarian refugee intake program. However, given extent of Australia's involvement in the conflict, and the number of people who now face a genuine and imminent risk in a Taliban-controlled Afghanistan, we believe that Australia must increase the total number of humanitarian and refugee resettlement places for people fleeing Afghanistan. This would be consistent with the precedents set

by the Abbott Government through its special intake allocations in response to the 2015 humanitarian crisis in Syria, as well as the actions of previous Coalition governments to protect vulnerable Kosovar and Indochinese populations fleeing conflict and persecution. As one of the world's most successful multicultural democracies, Australia has a proud track record of successfully integrating refugees into our communities and these populations have made enormous contributions to our economy and society. We note that other Western allies such as Canada and the UK have already announced that they will offer an additional 20,000 places for Afghan refugees.

Recommendation 3: Increase Australia's humanitarian refugee intake by 20,000 additional places for people at-risk fleeing Afghanistan, extend permanent protection to all Afghan refugees currently in Australia and support family reunifications

PART THREE: RESPONDING TO RECENT DEVELOPMENTS AND LOOKING AHEAD

Part C of the Inquiry Terms of Reference invites comment on how the Australian Government should respond to recent developments in Afghanistan in order to protect Australia's national security, and prevent or mitigate damage to Australia's international reputation, if necessary.

ACFID firmly believes that continuing to provide humanitarian and development assistance to Afghanistan will promote stability and security in Afghanistan and the region, which is fundamental to Australia's national security. Fulfilling the government's repeatedly expressed commitment to the people of Afghanistan in spite of the Taliban's takeover will also uphold Australia's international reputation and values. It is simply the right thing to do.

Alleviating an urgent humanitarian crisis

Even before the Taliban took control of Kabul, Afghanistan was experiencing severe humanitarian crisis. Due to the combined effects of conflict, the COVID-19 pandemic and drought, more than 3.5 million people are internally displaced.⁴⁷ 14 million people are food insecure, and an additional 2 million children are at acute risk of malnutrition.⁴⁸ Ten million Afghans are on the cusp of poverty, living on incomes between one and 1.5 times the poverty line (US\$0.94 per person per day).⁴⁹ Afghanistan currently ranks 169th of 189 countries on the UN's Human Development Index, and is now likely to sink lower.

Recommendation 4: Provide \$100m per annum in humanitarian funding as part of a multi-year country strategy and assistance package that responds to the root causes of the protracted crisis in Afghanistan.

Given Afghanistan's extreme dependence on access to foreign funding (about 75% of public spending is financed by foreign donors),⁵⁰ the economy and state institutions are on the brink of collapse. Afghanistan's local currency is depreciating rapidly, inflation is rising and there are widespread shortages in critical household goods such as food and fuel. Vegetables in Kabul markets are already 50% more expensive, and fuel prices have risen by 75%.⁵¹ The salaries of many doctors, teachers and other public employees have not been paid in months while the largest employer in the country, the Afghan National Defence and Security Forces, has dissolved. The public health system is virtually paralysed, with medicines and medical supplies running out and health facilities, including those treating COVID-19 patients, struggling to stay operational.⁵²

If this situation continues, there is a very real risk that the state will collapse, and an even wider humanitarian and refugee crisis will ensue. State failure and widespread desperation will present a breeding ground for regional instability and violence, including terrorism, and will generate even greater displacement and refugee flows out of Afghanistan. Recent analysis by ACAPS outlines four alarming scenarios that Afghanistan might face unless the international community moves swiftly to unlock funding and relieve human suffering (see Appendix D).

Despite this desperate picture, Australian commitment to funding aid and development initiatives in Afghanistan has steadily declined in recent years (see Figures 1 and 2). ACFID welcomed the Minister's announcement at the UN High Level Meeting on 13 September of a \$100m humanitarian assistance package, including \$65m in urgent aid support displaced persons and refugees, and \$35m ongoing humanitarian assistance to 2024.⁵³ However, we understand that this announcement includes \$45m from the existing 2021-2022 budget allocation of \$52m in ODA, and as such, Australia is providing just \$20m in new funding to respond to immediate humanitarian needs. This \$20m includes a \$5m contribution to UNHCR's Afghanistan Situation Supplementary Appeal which was announced on 20 August.

Australia's announcement also significantly lags behind other countries' commitments: the US is adding \$266m (USD) in additional humanitarian assistance (or \$363m (AUD)); the UK is doubling its assistance to £286m (GBP) (or \$537m (AUD)); the EU increased its humanitarian assistance from 50m (EUR) or \$81m (AUD) to 300m (EUR) (or \$471m AUD). Further to this initial commitment, the EU has also announced an additional 700m (EUR) at the G20 meeting on 13 October 2021 to avert an economic catastrophe in Afghanistan. The virtual summit came as the UN urged world leaders to put billions of dollars into the Afghan economy. However so far, these pledges have largely failed to materialise, and to the support to date has been focused on immediate emergency food and medicine rather than long-term development assistance.

Canada, a useful comparator in this context given our relatively similar size and GDP, announced \$50m (\$54.6m AUD) in humanitarian aid, in addition to its existing allocation of \$27m (\$29.5m AUD).⁵⁴ Canada has also made a long-term commitment to Afghanistan's plan for self-reliance by allocating \$270m (\$295m AUD) development assistance from 2021 to 2024.⁵⁵

The UN's recent Flash Appeal for Afghanistan is still only 35% funded.⁵⁶ Funding life-saving assistance to the people of Afghanistan should continue to be a priority for the Australian Government, and it would come at a fraction of the cost of our former military engagement.

Figure 2 below shows the funding sources for ACFID members' work in Afghanistan over the past eight years. As Australian government funding to NGOs providing humanitarian and development assistance to the people of Afghanistan has declined, NGOs have been making up the difference through a combination of community donations and other funding sources. This reflects NGOs' recognition of the needs on the ground, and the importance of continuing to provide vital assistance to the people of Afghanistan, even as government support for this work is in decline.

UN agencies and many international NGOs have made it clear that the international community must "stay and deliver" in order to save lives and provide vital assistance to the citizens of Afghanistan.⁵⁷ Immediate provision of flexible funding will enable these humanitarian actors to respond to the hunger, health, protection, and displacement needs, as well as urgent winterization activities. Such funding should also be provided to Afghan NGOs to enable scaled-up programming that meets the emergency needs of vulnerable communities, including religious and ethnic minorities and women and girls.

Protecting hard-won development gains

We will continue to work with international partners to contribute to addressing the challenges facing Afghanistan and preserving the gains made by the Afghan people, in particular women and girls, over the last twenty years.

Foreign Minister Payne, Human Rights Council Special Session on Afghanistan, 13 September 2021

As the Foreign Minister has outlined, over the past twenty years Australian development assistance has advanced the rights and livelihoods of people in Afghanistan. We have an obligation to honour our commitments and ensure that these gains are protected.

Speaking at the ACFID National Conference on 29 September 2021 Robert Piper, UN Assistant Secretary-General for Development Coordination, emphasised that the response to Afghanistan is "not only a humanitarian piece" but requires a "sophisticated approach" for long-term support for livelihoods. He noted that while the distinction between work that protects "lives and livelihoods" has always been "blurry" in Afghanistan, "livelihoods are going to have to find their way into an

international response.” He relayed that many donors have urged the UN to consider the future development strategy for Afghanistan, and not to rely on humanitarian assistance alone.

Since the Taliban took control of Kabul, IMF and World Bank funding has halted and most of the Government’s assets and central bank’s reserves (held in US financial institutions) have been frozen. Most donors, including Australia, have announced humanitarian funding commitments, while avoiding commitments to future of development programming. But is unrealistic to expect that emergency humanitarian aid can meet development needs, particularly whilst access to state funds held in international reserves remains on hold.

In the immediate term, this means Australia should support international efforts to provide development support to ensure that basic services, principally healthcare and education, continue to operate (the complexities associated with this and our recommendations for how Australia can navigate these are addressed in the following section).

In addition to supporting multilateral development work and funding through UN partners, we also recommend that the government continues some level of direct programming in the country.

Recommendation 5: Fund Australian NGOs and Afghan civil society to implement a multi-year locally led development program that focusses on advancing the rights of women and girls.

A new program could capitalise on the existing good work of Australian agencies operating in Afghanistan, who have developed strong and effective relationships with trusted local partners over many years. As outlined in Appendix B, there are currently a range of Australian NGOs operating in Afghanistan based on a mix of Australian government funding and community donations. Figure 3 demonstrates the current work undertaken by NGOs in agriculture, WASH and education. NGOs are an important part of the humanitarian and development landscape in Afghanistan, and Australia should leverage its existing networks on the ground to support local NGOs and civil society during this critical time.

Working with civil society promotes inclusivity and offers a way to provide services to hard-to-reach communities, vulnerable populations and minorities. This is of particular value in delivering services that the Taliban is unlikely to provide through the state-run system (such as women’s’ health and girls education), or for populations that are targeted by the Taliban (such as the Hazara community, activists and civil society leaders). A localised approach would also be consistent with Australia’s commitments under the Grand Bargain and the OECD DAC Recommendation on Enabling Civil Society in Humanitarian and Development Programming.

As a first step, the Government could start by undertaking analysis on how to ensure the sustainability of development initiatives under a Taliban regime given recent reports of the erosion of gains made, particularly in women’s economic empowerment and gender equality. This analysis could explore lessons learnt from the Australian Afghanistan Community Resilience Scheme program, including the Taliban’s reaction to these activities.

The longer the international community takes in deciding how to proceed with the Taliban, the greater the likelihood of a humanitarian catastrophe. If countries condition aid to the government of Afghanistan under Taliban control, donors need to ensure that direct funding continues to humanitarian and other civil society organizations.

Kelly Ross, “US Sanctions Squeeze Humanitarian Assistance in Afghanistan”, 29 September 2021, Center for Strategic and International Studies, Washington DC

Sanctions: The dilemmas of providing aid to a Taliban-controlled Afghanistan

Given the Taliban's new role in the country the international community, and especially Western donor countries such as Australia, face the dilemma of finding a way to support to the people of Afghanistan, while avoiding formal recognition of the Taliban regime. As ACFID has argued publicly (see Appendix E), there is a way to support local people and avoid granting legitimacy to the Taliban. We were in the same position 20 years ago, and we can navigate this balance again.

The reluctance of donor countries and international organisations to fund state institutions subject to Taliban control is understandable given the Taliban's track record on human rights (especially during their repressive rule of the country from 1996-2001) and their ties to terrorist groups. The unfortunate reality is that withholding funds indefinitely is not a viable option: it will only result in preventable deaths and widespread suffering, which could in turn result in increased desperation, instability and mass exodus.

The Taliban's cruelties are horrendous, but walking away from past support for vital services, politically and economically isolating the country, and maintaining overbroad, blanket financial restrictions, won't mitigate the abuses, but only hurt the Afghan people more.

John Sifton, "Averting Afghanistan's Economic and Food Crises", 6 October 2021, Human Rights Watch

While some donors have halted funding all together, this reality is generally recognised within the international community. There is a general recognition that without the provision of humanitarian and development assistance, the Afghan state may collapse causing even further suffering and instability across the region.⁵⁸

For this reason, donors are establishing criteria for engaging with the Taliban and are making future foreign funding conditional upon respect for human rights, safeguarding of humanitarian actors and

more inclusive governance. The EU's conditionality framework for development funding is one such example.⁵⁹ Brussels has indicated that it continues "operational engagement" with the Taliban on practical matters such as evacuations and humanitarian operations, but this does not imply recognition or the resumption of normal diplomatic relations.⁶⁰

With a deft approach, there are ways for international donors to safeguard human rights and inclusive governance while also enabling critical funding flows to resume to prevent the collapse of key service sectors. Given Australia's contributions to the Afghanistan Reconstruction Trust Fund managed by the World Bank (outlined in Part One), we have a particular interest in ensuring that this money is used to benefit the people of the country.

ACFID understands that work is currently underway to clarify the implications of the UN Security Council's 1988 Sanctions Regime against the Taliban for humanitarian activities in Afghanistan.

We firmly believe that while the Australian government may find sanctions against the Taliban to be politically desirable or necessary, sanctions must not impede humanitarian action which is a lifeline to the country's people. Humanitarian exemptions were not a relevant consideration at the time the 1988 UNSC Sanctions Regime was imposed in 2011 (subsequent to the sanctions established by Resolution 1267 in 1999), given that the Taliban did not then have governing responsibilities or control of state assets.

In light of recent political developments, a humanitarian exemption is now vital in order to facilitate humanitarian and development action in the country, and importantly, give confidence to the private entities that support humanitarian work (such as banks, shipping companies and insurers) to prevent de-risking and overcompliance.⁶¹ Humanitarian exemptions are a common feature of sanctions

regimes in other country situations such as Yemen, Somalia and the DPRK. ACFID urges the Australian government to play a proactive role in advocating for the UN Security Council to include a humanitarian exemption when the sanctions come up for review in December 2021, and to encourage the development of implementation guidance which permits humanitarian action in the interim.

Recommendation 6: Promote and enable a principled approach to working in Afghanistan which protects the rights of vulnerable communities, enables basic services to function, and facilitates access for humanitarian actors. This includes supporting efforts to include a humanitarian exemption in the 1988 UNSC Sanctions Regime against the Taliban.

Support human rights accountability and monitoring

To support the approach outlined above, we urge Australia to join international efforts to strengthen accountability mechanisms to monitor the human rights situation in Afghanistan and support genuinely inclusive governance in Afghanistan. This will be integral to ensuring the rights of women, girls and children in Afghanistan, including their right to freedom of movement, the right to education, the right to the enjoyment of the highest attainable standard of physical and mental health -including their sexual and reproductive health - the right to work and the right to access to justice on an equal basis with others. Discrimination against women and girls in all its forms should be condemned including sexual and gender-based violence, including violence against women and girls, and child, early and forced marriage.

The capacity to monitor human rights at the scale required to deter violations and preserve evidence is currently low. The UN Human Rights Council's designation of a one-year Special Rapporteur position is a welcome first step.⁶² But some human rights experts fear this may fall short of what is required and will be limited in scope and resources when compared with other monitoring mechanisms such as a Fact-Finding Mission, or a Commission of Inquiry.⁶³

As a donor, an important regional player, and an active member of the international community to promote the protection of human rights, Australia must join other governments in advocating for adequate monitoring mechanism to deter human rights abuses and hold perpetrators accountable to international humanitarian and human rights law.

Australia should support the establishment of accountability mechanisms to protect the rights of people in Afghanistan, particularly women and children, by increasing resourcing to the Monitoring and Reporting Mechanism and advocating to the Human Rights Council in 2022 for the establishment of a Fact-Finding Mission.

Recommendation 7: Support more robust accountability and monitoring mechanisms to ensure that the Taliban uphold their commitments to human rights and inclusive governance.

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