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ANNEX

to the Commission Implementing Decision on the financing of a special measure in favour of Afghanistan for 2022

Action Document for “Support to basic services and livelihoods for the people of Afghanistan”

ANNUAL MEASURE

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation and special measure within the meaning of Article 23(4) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title OPSYS business reference Basic Act	Support to basic services and livelihoods for the people of Afghanistan OPSYS N° ACT-61311 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u> Regulation)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The Action shall be carried out in Afghanistan
4. Programming document	N/A - Special Measure within the meaning of Article 23(4) of the <u>NDICI-Global Europe</u> Regulation.
5. Link with relevant MIP(s) objectives / expected results	N/A

PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Basic services and livelihoods			
7. Sustainable Development Goals (SDGs)	No Poverty (SDG 1), Zero Hunger (SDG 2), Good Health and Well Being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Reduced Inequalities (SDG 10).			
8 a) DAC code(s)	43010-Multisector aid 11220 – Primary Education 12220 – Basic health care 15180 – Ending violence against women and girls 43072 – Household food security programmes			
8 b) Main Delivery Channel @	41000 United Nations agency, fund or commission (UN) 41305 – UN – United Nations 20000 Non-governmental organisations (NGOs) and Civil Society 60000 Private sector institution			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020130-C1-INTPA Total estimated cost: EUR 150 000 000 Total amount of EU budget contribution: EUR 150 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing¹	Direct management through grants and procurement. Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.1.			

¹ Art. 27 NDICI

1.2 Summary of the Action

This Action responds to the economic and social challenges facing the Afghan population following the overthrow of the constitutional government of the Islamic Republic of Afghanistan by the Taliban on 15 August 2021. On 11 October 2021, the EU Development Ministers agreed on the need to assist the population directly by addressing their essential needs, while avoiding government channels, with support that goes beyond humanitarian aid by focusing on basic services and livelihoods assistance. On 12 October 2021, the President of the European Commission announced that the Commission was working to make it possible to use funds previously intended for Afghanistan to support Afghan people in urgent need in the new context.

EU operational engagement is guided by the Foreign Affairs Council benchmarks of September 2021, notably the promotion, protection and respect for all human rights and in particular the full enjoyment of rights of women and girls, as well as children and persons belonging to minorities, and respect of the rule of law and freedom of speech and of the media, with specific attention to human rights defenders.

On 11 October 2021, during an informal videoconference of EU Ministers of Foreign Affairs and Development called by HRVP Borrell, the EU and its Member States agreed on the need to assist the population directly by supporting essential services, avoiding government channels, and going beyond humanitarian aid to focus on direct basic needs and livelihoods assistance. Funds should be channelled through international organisations and NGOs and the benchmarks agreed in the Council conclusions of 21 September 2021 should be respected.

More specifically, principles for delivery of aid will be taken into account including: 1) women, girls and persons belonging to minorities should be able to access services in a non-discriminatory fashion; 2) support can only be given through multilateral organisations or NGOs, not through the Taliban both in Kabul and at the local level, either directly or through other actors; and 3) the Taliban should not be involved in the hiring, recruitment policy, implementation or management of support mechanisms.

Risks for the implementation of EU aid in this fragile context are constantly reviewed by the EU Delegation, which has since January 2022 established a minimal presence in Kabul.

The general objective of the Action is to improve the socio-economic situation of the population of Afghanistan. The Specific Objectives are to: (i) improve the uptake of basic services of the Afghan population with a particular focus on women, girls and vulnerable groups in complementarity with humanitarian relief efforts (around 60% of the total amount of the Action); (ii) enhance the use of opportunities for the improvement of the population's livelihoods, especially women, girls and vulnerable groups (around 35% of the Action); and (iii) improve the enabling environment for support to basic services and protection of livelihoods (up to 5% of the Action).

The needs assessments prepared by the United Nations Assistance Mission to Afghanistan (UNAMA) and the United Nations Transitional Engagement Framework (TEF) have been taken into account in the preparation of this Action Document, following a reality check of some of the findings and assumptions, as well as a number of internal assessments carried out by the EU and/or its Member States. By providing support to basic needs such as essential services and livelihoods, this Action complements the EU's lifesaving assistance provided through its humanitarian aid, and the EU's assistance through stability and resilience activities, thereby applying the triple nexus approach.

The Action has been developed in close coordination with EU Member States, in a Team Europe spirit. In doing so, lessons learnt from past aid – including in relation to the basic needs actions adopted in December 2021 – have been factored in the formulation of the Action. The Action is also informed by ongoing analyses, including those conducted with EU Member States, Norway and Switzerland, in a Team Europe spirit. There will be close consultation with EU Member States on monitoring and analysing the overall developments, especially on the sensitive issue of engaging with the de facto authorities at technical level or of possibly providing technical assistance to the Central Bank.

When identifying interventions, the EU Delegation will use as reference some of the building blocks of the mid-term strategy that the international community will be developing in the second half of 2022, under the leadership of UNAMA.

2 RATIONALE

2.1 Context

General

Afghanistan has been facing an uncertain period since the collapse of the Islamic Republic on 15 August 2021. While a complete socio-economic collapse has been avoided, the country has witnessed one of the greatest economic contractions in modern history. After an initial period of consolidation, political instability has increased over recent months, with different armed opposition groups and terrorist organisations attacking Taliban fighters and minorities throughout the country.

In the months after the Taliban takeover, the humanitarian response was scaled up significantly, with a focus on life-saving operations and covering approximately 35% of identified needs. It nevertheless became clear that **humanitarian assistance** is insufficient to sustainably stabilise the country and maintain the wellbeing and livelihoods of its population: deteriorating infrastructure and the effects of climate change are further threatening the access to basic services. Consistent poverty without economic growth has forced large parts of the population to revert to increasingly desperate coping mechanisms, including early child-marriage and child labour. It is also leading to an increase in crime. A strong advocacy and mobilisation is therefore needed for continued support to basic services, in particular in the economic and health sectors. In parallel, the aim of the international community has therefore been to safeguard and maintain functioning systems for the delivery of basic services and livelihoods.

The World Bank (WB) and stakeholders of the WB-managed Afghanistan Reconstruction Trust Fund (ARTF) in a Ministerial meeting in the margins of the IMF and WB Group's 2022 Spring Meetings highlighted the need to continue funding the sectors of livelihoods, agriculture and healthcare. At the same time, long term support to the current **basic needs approach** (consisting of recurrent costs without exit strategy) is not financially sustainable for the international community and maintains the country in a state of dependency. Many international partners acknowledge that there is an increasing urgency to explore solutions to Afghanistan's liquidity crisis, as a collapse of the Afghan economy collapse will provoke an even more massive humanitarian crisis. While the political environment in Afghanistan is far from being conducive for more long-term investment, discussion are taking place at technical level among donors on what it would take for the international community to eventually move away from the basic needs approach to a more long term and **sustainable economic recovery** that would sustain the fast-growing Afghan population.

The UN estimates that 97% of the population could be living under the poverty line by mid-2022, with 24 million requiring humanitarian assistance by end of this year. Afghanistan continues to face the negative health and socio-economic impacts of COVID-19, the severe effects of climate change – including a drought that is taking a toll on food supplies –, over 5 million people displaced, and frozen external aid and investments. With around 50% of the population facing emergency levels of food insecurity, which could increase again at the end of the harvest season, Afghanistan has become the largest humanitarian crisis.

Meanwhile, after a period of engagement with the international community, the Taliban *de facto* authorities (DFA) have become more conservative, restricting rights for women and girls and insisting on increased control over aid related activities. Women also face long-term sociocultural factors that restrict their access to education, work, and social services, such as health and justice. Attempts to leverage aid funding in discussions have failed to produce tangible results.

Any further destabilisation of the country or further deterioration of already extremely challenging living conditions would have major consequences in the region and beyond, including in terms of security and displacement of persons inside and across Afghanistan borders. In this context, displacements are dangerous and most people leaving Afghanistan are men and boys. The girls and women that remain, live in precarious situations.

The EU and its Member States have an interest to ensure a ‘Team Europe’ approach encompassing on the one hand humanitarian, and on the other basic needs assistance that helps to strike the balance, while considering longer-term solutions if and where within the legal and political constraints.

Health and nutrition

International assistance to Afghanistan has contributed to rapid improvements in health outcomes over the past two decades. For example, maternal mortality dropped by 60% and child mortality by 57%. Life expectancy at birth has increased from 56 years in 2000 to 65.6 years in 2022. Over the same period, the number of functioning health facilities increased five-fold and the proportion of health facilities with a female health care provider to almost 87%. The advancements varied, however, from district to district subject to geographical accessibility and conflict dynamics.

However, progress has stalled in recent years due to a deteriorating security situation, the COVID-19 pandemic and the economic crisis. Afghanistan’s health indicators are still among the worst in the region in terms of mortality rate, access to health facilities, shortages in medical staff in general and female staff in particular in a context where male healthcare workers cannot provide key services to women because of social, culture and gender norms.² Prolonged conflict and insecurity have resulted in exceptionally high levels of mental health disorders registered for both adults and children, including depression, anxiety and post-traumatic stress disorder, self-harm and suicide. About 64.7% of Afghans have experienced at least one traumatic event in their life.

² The maternal mortality rate is estimated as 620 per 100,000 live births, the infant mortality rate 46.0 per 1,000 live births and the under-five mortality rate 60.3 per 1,000 live births. Around 10% of population (mainly living in rural areas and internally displaced persons’ (IDPs’) camps) have no access to health services within 2 hours and 43% must travel more than half an hour. Access to the Basic Package of Health Services is accessible to around 80% of population. Shortages of female medical staff (currently 30% of healthcare workers in the country are female) has always been an issue, especially in rural area.

Also as a result of the conflict, Afghanistan has one of the highest proportions of people with a disability in the world. About 80% of adults live with some form of disability (24.6% mild, 40.4% moderate and 13.9% severe forms) as do 17.3% of children, aged between 2 and 17.³ Severe disabilities are more prevalent among women and girls (14.9%), with Human Rights Watch and other human rights organisations reporting that Afghan women and girls with disabilities face extreme barriers, entrenched discrimination, and sexual harassment in accessing assistance, education, employment and healthcare. Even though the overall security situation has improved, landmines, unexploded ordinance, local and domestic conflicts and accidents continue causing disability on a daily basis.

The COVID-19 pandemic is slowing down in its 4th wave, but is still affecting routine health services, in addition to the suffering from the direct health effects of the virus. Indirect effects on health include increased malnutrition, reduced access to regular healthcare and social tension, and increased gender-based violence which particularly affect the most vulnerable, all of which also linked loss of livelihoods. Afghanistan remains a priority country for COVAX to supply and deploy the COVID-19 vaccine.

Afghanistan is one of the last two countries in the world where polio is still endemic and on the rise since 2018. Moreover, measles cases have skyrocketed over the past year. From January 2021 to June 2022, there were over 52,000 cases and 316 deaths, which is of particular concern because of the extremely high levels of malnutrition especially among children. Malnutrition (both acute and chronic) is a serious developmental and humanitarian challenge and one of the most serious health problems affecting infants, children and women in Afghanistan. Rates of acute malnutrition are high in 28 out of 34 provinces and a 21 percent increase in malnutrition is estimated from 2021; Afghanistan has one of the highest rates in the world of stunting in children under five (41%).

Family planning (FP) is among the most effective and cost-efficient strategies to reduce maternal and infant mortality and thereby improve the health of families. However, modern contraceptive use in Afghanistan is substantially lower than other countries in the Central and South Asian regions, and has not measurably changed over the past decade. The percentage of married/in-union women of reproductive age practicing any contraceptive methods in developing countries increased from 51.8% to 62% between 1990 and 2015, but the practice in Afghanistan is limited to 1.9% for traditional methods and 19.9% for modern methods.

Experts estimate that up to 5 million Afghans are drug users and that 1.4-2.1 million are addicted to opiates and/or methamphetamines. The plight of drug addicts has significantly worsened under the DFA. Many are forcibly locked-up in so-called 'treatment centres' that are deficient in terms of adequate medical and mental care, and lack adequate food, sanitary facilities, heating and meaningful rehabilitation and reintegration. Extreme poverty, lack of future prospects, post-traumatic stress due to conflict and social pressure are amongst the reasons for drug use.

While the security situation has significantly improved in most Provinces since 15 August 2021, previously underserved areas have become accessible. This has raised opportunities and also expectations from the people and the DFA that health services are expanded into those areas.

Protection from Sexual and Gender Based Violence

Over the past twenty years, the fight against gender-based violence (GBV) in Afghanistan has seen significant improvement, in particular in the field of legal protection. This has been the

³ From a study by the Asia Foundation (May 2020)

result of a long and mostly donor-funded process involving the creation and revision of laws - the most notorious one being the 2009 Law on the Elimination of Violence Against Women (EVAW), which was considered a landmark legislation toward better protection and enforcement of the rights of Afghan women. Other improvements include advances in legal aid services, training of women lawyers, judges and prosecutors and awareness efforts from civil society.

These advances have been one of hardest hit by the Taliban takeover; and an increase in violence against women has already been reported by UN Women. Previous legal dispositions, including the EVAW law, are not operative. It is unlikely that commitments of the Afghan State to the Convention on the Elimination of All Forms of Discrimination against Women (ratified in 2003 without reservations) will be upheld. The Ministry of Women's Affairs (MoWA) was dismantled, gender units in Ministries, previously funded through donor support, ceased to function, as did, at the local level, Family Response Units and Elimination of Violence Against Women Units. The dissolution of the MoWA, the Afghanistan Independent Human Rights Commission, the police and justice systems means that the multisector referral system for victims of gender-based violence is now mostly inaccessible to women and girls, limiting their access to services. Shelters have been under pressure, and most of them stopped their operations after the 15 August 2021, while the majority of women organisations working on GBV are now keeping a low profile. The recent closures of many safe houses for women who suffer domestic violence have left women and girls in even more vulnerable situations.

On 3 December 2021, the Taliban released a “special decree on women's rights” setting out the rules governing marriage and property for women, with instructions for implementation. The decree states that “[A] woman is not a property, but a noble and free human being; no one can give her to anyone in exchange for peace deal and or to end animosity”. It also states that women, including widows, should not be forced into marriage and that widows have a share in their husband's property. The extent to which this decree translated into action and effectively prevents the practices listed remains unclear. Later decrees and announcements by the DFA have increased concerns over women's access to basic rights – this includes, in March 2022 the postponement *sine die* of the reopening of secondary school for girls, or the order in May 2022 imposing a restrictive dress code and further restricting women and girls' mobility.

Education

Significant progress has been made in Afghanistan's education sector over the last twenty years. Participation in education increased from less than 1 million in school in 2000 (around 10% girls) to 9.2 million students (38% girls) in 2018. Although access to schooling has improved significantly in the last decade, completion rates remain low with increasing gender disparities in the upper levels and in rural areas. For every 100 urban boys, only 78 urban girls attend school and in rural areas, the number plunges to 50 girls for 100 boys (2019 Girls' Education Policy).

The collapse of the Afghan economy following the events of 15 August 2021 put in serious danger these achievements, especially in the context of the previously existing substantial gender gap since the literacy rate for men stood at 55% and for women only at 29.8%. Despite the progress, 12 million youth and adults (15+) in Afghanistan still lack basic literacy skills. UNESCO estimated that in 2020 the literacy rate has increased to 43% in comparison to 2016/17 when it was 34.8% and the literacy rate for youths aged 15 to 24 stood at 65%.

However, despite the period of uncertainty and worsening economic situation, the education sector remained partially functional. Afghanistan still remains bound to the respect of child rights, including the rights of all girls to education in line with the Convention on the Rights of

the Child, ratified in 1994 and its Optional Protocol on the involvement of children in armed conflict. Two main education systems are in place in Afghanistan, both recognised by the Ministry of Education (MoE) before August 2021. The official and formal education system, based on public schools and the Community Based Education (CBE). The CBE includes community-based classes and accelerated learning programmes. The CBE has been part of the MoE formal education system since 2003.

In April 2022, around 70% of boys and girls were back in primary education (4,060,000 out of 5.8 million children; 2.3 million girls) as indicated by UNICEF and Save the Children⁴. The primary education is facilitated by around 130,000 teachers of which 41% are female (around 53,000). In September 2021 the DFA excluded girls from secondary schools in certain provinces and districts in Afghanistan, where only boys and male teachers were allowed back into classrooms, sending a worrying sign to the international community. In contradiction with previous commitments, the reopening of secondary schools for girls was halted on 23 March 2022. The announced need for adoption of new policies in the sector by the DFA has not resulted in concrete action.

At the writing of this Action, the ban is implemented in most of the country with some local exceptions. However the situation is not static and some of the schools that remained open for girls were subsequently closed in application of the ban. This raises significant concerns about the deprivation of basic rights, their consequences on women's dignity and status in Afghan society, and repercussions on the labour market. A safe and inclusive education for all children, girls and boys, is key for building peaceful, just and inclusive societies.

Cultural norms, safety concerns, poverty insufficient relevant learning/teaching resources, capacity limitations in formal schools to take on additional children and inadequate or damaged classrooms are still obstacles to achieve better results. In addition, the COVID-19 measures led to gaps in Afghan children learning due to prolonged school closures during at least two years.

Livelihoods and food security

The Integrated Food Security Phase Classification (IPC) survey estimates that nearly 20 million Afghans are in Crisis (IPC Phase 3) or Emergency (IPC Phase 4) in 2022. This is reflected in an overall increase of share of the population being in food insecurity from 2021 onwards. The persistence and severity of this trend stems from a combination of adverse climatic conditions, rise of food prices, enduring conflict and an overall stagnant economy as a result of the August 2021 events. The situation can be further compounded by the world price hike triggered by Russia's invasion of Ukraine. Further testimony that the food security situation will likely deteriorate comes from the recent annual harvest survey conducted by the Afghanistan Food Security and Agriculture cluster coordinated by WFP and FAO⁵. The survey predicts a below average harvesting season for the second year in a row across most of the country.

To counter the threat of growing food insecurity in Afghanistan, the international community will have to complement its current response which is based on short-term and emergency interventions with longer term strategies and coordinated approaches to production and productivity improvement in line with the conventional approaches as applied before the Taliban takeover.

Agriculture was historically a major driver in the Afghan economy, but in current terms almost at par with industry and outmatched by the service sector. A continued drive towards

⁴ <https://www.savethechildren.net/news/80-secondary-school-girls-afghanistan-missing-out-education-one-month-taliban-ban-extended>

⁵ <https://fscluster.org/afghanistan/document/fsac-monthly-meeting-presentation-may-0>

agricultural productivity increase comes with a caveat that the investment in agriculture might be warranted on the basis of securing livelihoods, ensuring local food security and avoiding migration from the rural areas, but is not likely to be a strong driving force for GDP growth and job creation. Therefore support to livelihoods would need to be based on an approach which balances potential for job creation based on value chain and sector analysis, support to population, especially women, youth and the most vulnerable, in rural vs urban areas, and food security considerations.

As regards the overall economic situation, the severe economic instability due to heightened uncertainty is halting national production and investment, has interrupted trade and finance, and has led to a considerable contraction of the economy. This has led to an overall increase of unemployment, with ILO estimating job losses in the range of 700,000-900,000 by mid-2022. Female workers have been disproportionately affected by job losses in the aftermath of August 2021.

No mass outflows of people from Afghanistan to neighbouring countries through official land borders have been observed, mostly due to the increased border security by neighbouring countries and the fact that many Afghans cannot afford the resettlement to neighbouring countries. The majority of displaced people remain within Afghanistan, although the collapse of services and the economy could lead to a much greater international displacement. In June 2022 Afghanistan counted 3.5 million internally displaced people (IDPs)⁶, and it is estimated that as of August 2021, over half a million people have already been displaced by conflict and thousands more affected by disasters. Recent shocks are felt hardest for groups living in most vulnerable situations, particularly in poor urban and rural communities, where the populations resort to negative coping mechanisms in the face of loss of livelihoods, notably joining the large numbers already displaced or radical terrorist groups.

2.2 Problem Analysis

2.2.1 General:

Deterioration of **key macroeconomic fundamentals** has continued throughout early 2022, with output expected to further decline in the short-term – according to the World Bank, real GDP per capita may decline by around 34% between end-2020 and end-2022, based on current trends. As expected, the real sector is suffering heavily from the sudden stop of very large public spending, with precipitous reductions in both public and private investment. In the context of widespread hardship, illicit economic activity has likely expanded along with the adoption of harmful coping mechanisms.

The **monetary and financial sectors** continue to suffer from a widespread liquidity crunch, as a result of continued lack of access to foreign reserves and due to the sanction environment. Despite some easing on the latter front, international financial institutions are still wary of re-engaging with the country. The absence of recent and reliable data makes it difficult to assess the impact of the crisis in the banking sector. However, it is clear that the solidity of several banks is highly compromised with widening asset-liability gaps, while operating costs remain unvaried. Beyond the immediate liquidity crunch, medium-term prospects for commercial banks are grim and with potential solvency risks for some institutions; these risks might be further exacerbated by the mandatory conversion to Islamic finance, requested by the Central Bank in the first months of 2022.

⁶ <https://www.unhcr.org/afghanistan.html>

On the **external front**, the Afghan economy continues facing a large external adjustment which has partially been absorbed through reduced imports. The latter have considerably contracted as result of both subdued domestic demand and disruptions in the financial sector. Exports have instead declined only moderately, thanks to improved security conditions and increased competitiveness due to local currency depreciation; yet, financial sector disruptions to receipt of overseas payments and supply chain failures partially offset these positive impacts. Service exports have suffered due to lesser needs for services to foreign security and diplomatic installations. After a moderate stabilisation in the first few months of 2022, the Afghani (AFN) continued to depreciate in May, although humanitarian USD inflows (in the range of USD 150 million monthly, equivalent to EUR 148 million monthly based on the exchange rate on 3 August 2022) partially helped to tone down this trend. The Central Bank's lack of control over foreign reserves and the domestic money supply make the exchange rate adjustment, let alone a broader macroeconomic policy response, very difficult. While no data are currently available, remittance inflows has likely dropped considerably.

Regarding the **fiscal sector**, available data shows sustained collection capacity with January-April 2022 revenue collection estimated at 8% higher than the same period in 2021. As occurred through the last quarter of 2021, taxes collected at the border and non-tax revenues constituted the majority of receipts, while domestic in-land collection continued lagging (consistently with historical trends). In May, DFA announced the annual budget for the solar year 1401 (running from March 2022 to February 2023). To date, DFA has not yet published the budget document and no international partners have been able to access it. However, according to information reported by the media, DFA foresees spending of AFN 231.4 billion and domestic revenue of AFN 186 billion, respectively equivalent to EUR 2.5 billion and EUR 201.4 billion based on the exchange rate on 3 August 2022. Overall, the few figures available, as a lack of accountability and transparency from the government, (if confirmed) point out to overly optimistic revenue projections and taking into the lack of financing options, considerable expenditure cuts – well below budgeted levels – should be expected. To note that Afghanistan's total external debt is currently estimated at around USD 1.7 billion (World Bank, 2022), equivalent to EUR 1.67 billion based on the exchange rate on 3 August 2022, with DFA accumulating considerable payment arrears due to multilateral creditors.

Health

A suspension of the Sehatmandi project implementation by the World Bank in August 2021 severely threatened the continuity of the basic and essential packages of health services: Basic Package of Health Services (BPHS) and Essential Package of Health Services (EPHS). Fortunately, sequential and temporary contributions from a combination of donors has permitted the continuation of services until June 2022. The new Health Emergency Response (HER) project from the World Bank ensures BPHS and EPHS funding until December 2023.

Nonetheless, the HER project will only cover 61% of the 3,800 health facilities across Afghanistan. Gaps in health services therefore persist, including in some groups and communities living in some of the most remote and vulnerable situations. These include the thirty-nine government-supported hospitals that currently have limited support. Communities in so-called “white areas” present rely on a combination of NGO- and government-run facilities and mobile clinics, for which financing is not assured. Trauma care and tertiary care for in particular non-communicable disease are not included in the BPHS and EPHS packages.

The focus upon ensuring delivery of essential packages of life saving interventions at a minimum quality of care will remain central. However, the reduction in levels of conflict throughout Afghanistan and the reestablishment of basic financing systems does offer the opportunity to increase the coverage of services and establish more sustainable systems to

support service delivery. This also concerns family planning services and specialised care to women and girls, and the most vulnerable populations including people with mental health issues and people with disabilities, through the BPHS and EPHS service providers and supporting services (e.g. the training of psycho-social counsellors and physiotherapists and the production of prosthetics), building on previous interventions.

Structural barriers exist to family planning use in Afghanistan including poor health system infrastructure, an insufficient number of female health providers, restrictive and gender norms, poverty, low educational attainment, and reduced access to services due to geographic and security limitations. Additionally, individual and community level barriers, including misconceptions, limited knowledge, and negative attitudes about contraception, such as fear of side effects, beliefs that FP is counter to Islamic teachings, and norms surrounding women's autonomy in health decision-making and mobility, also hinder family planning uptake and use.

There are 81 drug treatment centres in Afghanistan with a combined capacity to treat 40,000 patients annually. Only four are still in operation due to a lack of funds since the main donors stepped out following the Taliban takeover. Although staff of treatment centres have an elementary understanding of international standards and good practices, the Taliban leadership appear to prefer a harsh approach, effectively criminalising drug addiction. Those patients which are still being treated face human rights abuses and show a very high relapse rate when they are returned to their families or to the street. Drug prevention campaigns have also collapsed. The sheer number of drug addiction patients constitutes a direct a health crisis and an indirect health threat to the wider population. It is therefore important to revitalise prevention, treatment, rehabilitation and reintegration programmes according to international standards.

Nutrition and water

Global climate change has pervasive effects in the country due to the population's low resilience capacity. The combination of droughts and floods, the economic collapse, the resulting lack of long-term employment and decreasing purchasing power, and the increasing global and domestic food prices, has resulted in a rise in malnutrition and negative coping mechanisms.

According to the abovementioned IPC survey, a major compounding factor to the situation is represented by limited water availability conditioning the food security and health situation. Clean water scarcity is affecting the capacity of the population to access drinkable water. Moreover, the lack of sanitation facilities and inadequate water management contributes to disease spreading, not limited to diarrhoea. These factors affect the health situation of the population as a whole, while presenting critical challenges to the groups living in the most vulnerable situations, such as children and women, elderly and persons living with disabilities, whose lives are disproportionately affected by the lack of safe and sufficient water supply and improved sanitation facilities, resulting in increased mortality and morbidity patterns. Additionally, women's specific hygiene needs during menstruation, pregnancy and child rearing are exacerbated in the current crisis situation which aggravated the already inadequate access to information and education, sanitary products, washing facilities and waste management.

According to the Afghanistan Living Conditions Survey 2016–17, nearly 58% of households' drinking water sources and 77% of home drinking water are infected with *E. coli*, indicating contamination in the source, handling, and storage of water. The lack of a national water management plan and of the associated infrastructure is affecting the country by leaving local communities alone in managing and cope with water resources. A number of conflict analyses

identified water as source of conflict, along with land distribution and management. Women experience particular obstacles to enjoying equal rights to water during situations of conflict, water stress and drought.

Sexual and Gender Based Violence

Rates of Sexual and Gender Based Violence (SGBV) were already considered very high before August 2021, with studies suggesting 87% of Afghans women and girls experiencing abuse in their lifetime. As a direct consequence of the combined humanitarian and women's rights crisis in Afghanistan, these already high rates of violence against women and girls have reached unprecedented levels while much needed services for survivors have been forced to close. Domestic violence and poverty also lead to an increase of the vulnerability of children to abuse and exploitation. Sexual violence against boys is also systemic, including through the practice of "bacha bazi"⁷, which can be associated as a form of sexual slavery.

Most women and girls in Afghanistan experience violence without seeking/receiving any services. According to the 2015 Afghanistan Demographic and Health Survey most women do not tell anyone about the violence they experience, with only 20% of them seeking help from any source. When they seek help, the majority of women turn to their own family (80%), their husband's family (34%) or neighbours (18%). They are unlikely to seek help from doctors (0.3%), police (0.2%), or any other civil or social organisation (0.1%), indicating a crucial need to improve referral pathways. The majority of women and girls do not report their experiences due to shame, fear of reprisals, lack of knowledge on how to access help, or lack of available assistance. This is exacerbated by deeply rooted gender discriminatory attitudes and stereotypes among service providers and community members that result in women and girls facing barriers to accessing quality services, which has only been increased since the change of regime.

The current legal system in place remains unclear, with no explicit guarantees for women's safety or the protection of citizens from SGBV. State institutions providing services to survivors have been closed, leaving those affected with little means to seek support or assistance. In view of the possible repercussions for service providers, many non-governmental actors have, in the first months following the overthrow of the Government of the Islamic Republic of Afghanistan, held off on providing services to SGBV survivors. Additionally, local women organisations working on SGBV are reportedly the type of CSOs hit the hardest by the decrease in international aid funding.

There is currently a lack of an overall approach adequately focusing on the empowerment of women, services proposed are not comprehensive and have inconsistent quality and availability across the country. Identified shortcomings include the lack of an adequate hotline to provide information, lack of knowledge from service providers and survivors on referral pathways, limited offer of vocational training for survivors to develop income generating activities, limited experience and skills of service providers with violence against women, including lack of capacity to provide psycho-social support.

That said, some non-governmental mechanisms providing protection to SGBV survivors have reorganised and are resuming activities to provide life-saving support, referring survivors to relevant non-governmental service providers (e.g. women protection centres), and ensuring protection of their personal data. Such examples include Women Protection Centres (shelters for survivors of violence and their children providing vital services including free safe accommodation, healthcare and counselling and vocational training) and Family Resources

⁷ Bacha Bazi is a term describing the practice involving young boys – often bought from their families or kidnapped– used to entertain powerful men through performance. The practice commonly involves sexual abuse.

Centres (previously called Family Guidance Centres), offering safe spaces for women and their families to benefit from a range of services as part of a comprehensive approach to support women's safety and empowerment). These centres have been redesigned to expand the services offered and strengthen synergies with other recovery programmes. UN Women has secured the reopening of a large part of the existing centres and is planning to open additional ones in provinces where those do not already exist. Presented to local authorities as safe spaces managed by women and for women and which could provide essential health and livelihood services, this new approach has been largely accepted by the DFA, opening opportunities to re-establish referral paths for survivors. The future intervention under this Action will complement the ongoing work under the Spotlight Initiative, implemented in three provinces and re-focused on ensuring viable protection services for survivors, including through these centres. The complementarity will be ensured both in terms of geographical expansion (extending activities to additional provinces) and continuity of successful activities under Spotlight Initiative.

Education

Over the last twenty years, significant gains in the education sector have been achieved. Participation in education increased from less than one million in school in 2000 (with less than ten per cent girls) to around 9.9 million students (39 per cent girls) in 2019.⁸ Impressive progress has been made in terms of gender equitable participation as well. While there were fewer than 100,000 girls in school in 2001, in 2019, an estimated 3.5 million girls were enrolled. The progress in the education sector in the last 20 years is undeniable, however the risk of regression in particular for girls, is also real.

On 23 March, the DFA announced the indefinite extension of the ban on female students at and above the 6th grade being permitted to return to schools, going against previous commitments made by the DFA to the international community. This new position issued by the Ministry for Education, states that secondary schools and high schools will be notified when there is a comprehensive plan in accordance with the Sharia and Afghan tradition and culture and an order will be issued by the Emirate's leadership.

While alternative (informal) learning opportunities exist for girls in secondary age group, they are not sufficient and covers only a small part of the needs. Some initiatives of distant/online learning also exists and new ones are being developed but access to energy and telecommunication infrastructure will limit their reach.

Besides the insufficient funding and the absorption capacity of implementing partners, any large scale intervention that would be seen as circumventing the ban/breaching DFA policies is likely to face crackdown by the Taliban. Furthermore, the pre-existing gender segregation practices in schools have become the norm as girls can only be taught by female teachers and boys by male teachers, leading to a shortage of competent female teachers according to UNICEF. In May 2022, the de facto Ministry of Education announced a shortage of teachers in 24 out of 34 provinces and announced more than 7,000 vacancies for teachers and administrative staff in the education departments of eight provinces. Nearly 3,000 vacancies would be reserved for women.

Quality of learning depends on quality of teaching and a sufficient number of teachers with adequate preparation, skills and qualifications is needed in order to deliver the desired outcomes. This is especially important in the context of rapidly growing Afghan population, which is among the youngest in the region with 63.8% of the population under the age of 25.

⁸ Based on [UIS](#) data, retrieved on 23 August 2021, 2020 Afghanistan MoE [Annual Progress Report](#), UNICEF Afghanistan reporting and UNESCO report entitled, "[The right to education: What is at stake in Afghanistan? A 20-year review.](#)"

It is essential that the number of well-qualified teachers meet the needs of the increasing number of school-age children. Quality education is also linked to protective and safe education spaces, with adequate water, sanitation and hygiene (WASH) facilities, nutrition and mental health and psychosocial support, when needed. Poverty and other social and political challenges have a direct impact in the education services.

While the DFA policies have exacerbated the challenges in the education sector, some of them are not new. The high level of aid dependency, the cultural barriers, the structural and systemic concerns around the school environment (including adequate infrastructures, such as WASH), teaching and learning, affect equitable access and quality. It should also be noted, that high level of poverty remains one of the main barriers for boys and girls to access education.

The support to the education sector in Afghanistan by the international community was always seen as a sensitive endeavour. Although the Taliban interim administration is not recognised, they are the DFA and decide about the national education policies. When it comes to the curriculum, the DFA have maintained the use of pre-existing text books, however the increasingly conservative policies being put in place (ban on girls education at secondary level and restrictions on personal freedom, in particular for women) raise concerns on a possible revision of the education policies/curriculum. The recent DFA announcement that a TVET (Technical and Vocational Education and Training) centre has been transformed in a madrasa confirms those concerns.

In the current context, various initiatives to support the education sector and to provide alternative learning opportunities are being developed by NGOs and international organisations and discussion are currently ongoing on the needs and the necessity to carefully calibrate them vis-a-vis de DFA. The EU will continue its humanitarian support to non-formal and community-based education. Investment in infrastructure development would be needed to complement humanitarian aid, to ensure schools are physically in place and safe, but also as a means to facilitate girls' access to education (e.g. need for different classrooms, dedicated sanitation facilities)

The EU has committed to providing support to basic needs on the basis of human rights based approach, including equal access. Because of the volatile context and unpredictability of the de facto authorities' announcements, while support for primary education is foreseen, the EU could provide basic needs' support to the education sector at the secondary level only in those areas where girls have access to schools. Support for girls' education at the secondary level outside of formal channels will be explored with relevant UN agencies and INGOs. In the current context, a number of activities supporting the right of women and girls to education might need to be conducted in neighbouring countries. At the same time, education should not be seen in isolation but as part of a more comprehensive and coordinated approach to respond to basic needs and to support essential services in Afghanistan, including nutrition, health and food security.

Livelihoods

Adverse economic and climatic conditions are likely to exacerbate further economic hardship, poverty, food insecurity and displacement. The consequence of inaction would be a deteriorated humanitarian situation, further internal displacement, overloading the weakened social system throughout the country. An increase in external migration, which would put an additional burden on host communities in neighbouring countries, remains a real possibility.

The issue has been compounded by the major internal forced displacement caused by conflicts and disasters. Both IDPs and returnees have often lost their livelihoods and are facing difficulties re-establishing it. Others, such as the Hazara, are victims of ethnic violence and

persecution and forcibly displaced from their land and their sources of income. Livelihood opportunities for IDPs, which were already limited prior to August 2021, have been further curtailed. This leads to risk of resorting to negative coping mechanisms, such as early child marriage, and sending children to neighbouring countries for work.

Previous and ongoing EU interventions under the basic needs and livelihoods approach were aimed at restoring livelihoods through cash-infusion and creating short-term employment opportunities. While this approach is essential to support the population and to reinvigorate local markets, it is by no means sufficient to address structural deficiencies in Afghanistan's economy or to put Afghanistan on a course for sustainable economic growth.

Macroeconomics

The continued isolation of the Afghan economy from the international financial system makes prospects for the financial sector highly pessimistic. Despite a moderate stabilisation of the local currency (AFN) in the past few months (reflecting humanitarian USD inflows), the Central Bank (DAB) still falls short of the monetary policy tools to fulfil its primary objective of preserving domestic price stability. This is compounded by DAB's limited access to AFN notes, which impedes its ability to control the domestic money supply, and the continued lack of access to its foreign reserves, which impedes its ability to provide a currency exchange service to the banking sector.

The progressive erosion of DAB's capability to perform core central banking functions would therefore call for international support aimed to provide technical assistance in a number of areas, including but not limited to: (i) AFN note supply (in terms of currency circulation forecasting and/or operational capacity for bills replacement, *i.e.* invalidation of bank notes and consequent destruction); (ii) functionality of the domestic payment system (the National e-Payment Switch); (iii) due diligence, Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) supervisory functions and third-party monitoring; and (iv) resolution of failing credit institutions. As to the shape of such assistance, solutions being considered include the technical design/overall guidance by the World Bank of an internally agreed support package, with a regional Central Bank tasked with the implementation through a twinning arrangement.

Against this backdrop, and beyond considerations associated with the emergence (or lack thereof) of a political authorising environment, assistance in any of the aforementioned areas will of course be conditioned to DFA's accumulation of policy commitments starting, *inter alia*, with: (i) the enactment/implementation of AML/CFT measures and regulations; (ii) guarantees around the operational autonomy of financial-sector supervisory authorities and appropriate governance arrangements at all levels of DAB management; (iii) adequate steps towards effective macroeconomic and financial sector management (incl. data collection and transparency, taking into account the present state of the available workforce).

2.2.2. Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the Action

International aid architecture

It is notably in the different fora established under the aid architecture that the EU engages with aid partners, UN agencies, and international NGOs.

In mid-2022, a review process of the aid architecture for Afghanistan was launched, as the conditions that underpinned the previous architecture no longer exist:

- There is no longer an internationally recognised government to work with a UN based EU sanction regime vis-à-vis the Taliban.
- The Afghanistan Partnership Framework agreed in Geneva in November 2020 is no longer relevant, although its principles, also enshrined in the key elements for sustained international support to Peace and Development in Afghanistan, remain valid.
- The large aid community that was present in Afghanistan for the last 20 years has shrunk.

After the Taliban takeover and in light of the dire situation on the ground and the country's high dependency on external assistance, a new mechanism to coordinate incoming non-humanitarian aid flows has become necessary to respond to the new realities. While discussions are still ongoing among international partners as to the final shape of this mechanism, there is broad agreement vis-à-vis the principles that should guide the new architecture, including: (i) enhanced coordination at all levels and with all stakeholders (including political); (ii) developing a stronger nexus between humanitarian action and support that helps meeting basic human needs as well as political efforts; (iii) setting up more robust monitoring of results and impact; as well as (iv) a unified periodic review of all funding streams, including through structured consultations; (v) a coordinated risk management approach; (vi) developing a mid-term strategy, building on the UN's Transitional Engagement Framework; (vii) involving regional players, given the latter's increasingly proactive stance in assisting Afghanistan.

The new mechanism for international policy dialogue will be centred around the Afghanistan Coordination Group (ACG), composed of main donors' Heads of Agencies, with regular interactions with the diplomatic side (Heads of Missions, Special Representatives for Afghanistan) and with the steer of high-level meetings on a periodic basis (including a Heads of Agencies forum comprising all international stakeholders engaged in Afghanistan). While these fora are aimed to reinforce strategic policy coordination, a number of strategic thematic working groups will provide technical inputs and advice vis-à-vis macro-policy areas such as education, health and economic stabilisation, thereby feeding into policy discussions at ACG *etc.* To complement, larger, but less regular gatherings with other international actors beyond the ACG, possibly including regional partners will meet once a year in the so-called "big tent" meeting. Quarterly review meetings are also foreseen – the first having taken place in April 2022 - through which the various multi-donor financing platforms will meet to discuss objectives, activities and results based on a common monitoring framework.

EU coordination

At EU level, a strong coordinated response is being elaborated between the EU and EU Member States (Czech Republic, Denmark, France, Germany, Italy, Netherlands, Spain, Sweden), associating Norway and Switzerland, in pursuit of a direct basic needs and livelihoods assistance approach closely coordinated with humanitarian efforts (Nexus) and in compliance with the Council Conclusions on Afghanistan of September 2021. EU, Norway and Switzerland Heads of Cooperation met for a retreat in Brussels in April 2022 and agreed on steps building to a consolidated Team Europe approach including joint analysis, joint responses, and joint communication. This is complemented in July 2022 by a dedicated political economy analysis event and in October 2022 by a second EU+ retreat.

Other stakeholders

The EU engages with a range of actors in Afghanistan. Civil society should continue to play an important role in providing humanitarian relief and services to communities but also in supporting good governance, sustainable development, social cohesion, promoting human rights, gender equality, fundamental freedoms, and democratic principles such as inclusion, transparency and accountability. A process for updating the EU's Roadmap for Engagement

with Civil Society is underway to identify in more detail the current context for CSOs operating in the country and allow to work with CSOs in all their diversity (women's organisations, human rights defenders, youth organisations, professional organisations and associations, and organisations representing those living in the most vulnerable situations, among others). In parallel to the roadmap process, the EU Delegation has attended civil society coordination meetings in Kabul and holds regular bilateral consultations with local and international representatives of CSOs active in Afghanistan. Engaging and supporting an independent and diverse civil society sector that has the capacity and ability to contribute to the inclusive and sustainable development of Afghanistan will remain an objective of the EU's engagement in Afghanistan.

CSOs in the health sector include patient and health workers' representative organisations and the private healthcare sector, for which unhindered access and ability to deliver will be key and monitored as a benchmark for further engagement. At the community level, health committees are important stakeholders who will represent the rights-holders' voice (people).

CSOs including guilds, associations of traders and craftsmen, chambers of commerce, and informal workers' associations are also important actors of economic governance. They provide structures of support for micro-, small and medium-sized enterprises (MSMEs) – advocacy, promotion and policy support, coordinating resources and tools, providing space of apprenticeship, and governing competition between actors. As such, they constitute important stakeholders in sustaining livelihoods and job creation and representing the interests of a diversity of (male and female) workers.

The EU places great importance on the voices of Afghan women in the country and abroad. Regular consultations with CSOs and women activists are organised, as shown most recently by the Afghan Women Leaders' Forum's second meeting in Brussels. In May 2022 alone, 5 consultation meetings with groups of women activists, female entrepreneurs and civil society representatives were organised at the EU Delegation in Kabul.

The EU Delegation also holds regular interactions with media representatives.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of the Action is to improve the socio-economic situation of the population of Afghanistan.

The assistance will be designed and delivered in full respect of the overarching political framework defined in the Council Conclusions on Afghanistan of September 2021 and the informal videoconference of EU Ministers of Foreign Affairs and Development of October 2021, paying particular attention to the rights of women and girls.

The **Specific Objectives** are to:

- (i) Improve the uptake of **basic services** of the Afghan population with a particular focus on women, girls and vulnerably groups in complementarity with humanitarian relief efforts (around 60% of the total amount of the action).
- (ii) Enhance the use of opportunities for the improvement of the populations' **livelihoods**, especially women, girls and vulnerable groups (around 35%).
- (iii) If conditions are met: Improve the enabling environment for support to basic services and protection of livelihoods (up to 5%).

The **Outputs** to be delivered, contributing to the corresponding Specific Objectives (Outcomes), are:

- contributing to Outcome 1 (or Specific Objective 1)

1.1. Enhanced access to health and nutrition services by the population, particularly women, children and vulnerable groups including people with disabilities, IDPs and returnees.

1.2 Enhanced inclusive access to quality primary and secondary education in safe learning environments (particularly for girls).

1.3. Enhanced access to protection for boys and girls victims of violence, and access to protection services for women and girls at risk or survivors of sexual and gender-based violence.

- contributing to Outcome 2 (or Specific Objective 2)

2.1. Enhanced access to community-based employment and income-generating opportunities as well as economic activities and opportunities for MSMEs, including female-headed MSMEs.

2.2. Enhanced mechanisms for food security and sustainable food production and processing, including food diversification.

- contributing to Outcome 3 (or Specific Objective 3)

3.1 Strengthened capacity of the Central Bank (DAB) functions (e.g. safeguards to establish and maintain DAB's independence and respect of AML/CFT standards) and core public and private financial sector institutions in macroeconomic management should this assistance become politically acceptable and technically feasible, after due consultation of relevant Commission services, the European External Action Service and the EU Member States, including through relevant Council working groups such as COASI and/or CODEV.

3.2 Indicative Activities

Activities will take a sectoral approach and/or a multi-sectoral community-level approach. Activities listed below are indicative and non-exhaustive, and will be designed in a flexible way to cater for their adjustment:

Activities related to Output 1.1 may include:

- Gender Equality and Social Inclusion (GESI) analysis in the health sector (analysis of power relations between gender, persons with and without disabilities and groups living in vulnerable situations);
- Delivering inclusive basic health and nutrition services across the country, especially for women, girls and the most vulnerable groups;
- Delivering family planning services;
- Delivering specialised services to people with disabilities, including physiotherapy, prosthetics and (re)integration support;
- Delivering specialised support to people with mental health issues;
- Delivering drug use prevention campaigns and specialised treatment and support to people with drug addiction.

- Health facilities', including laboratories, infrastructure rehabilitation and improvement;
- Supporting the supply chain (equipment, medicines, personal protective equipment, other supplies);
- Improving medical waste management;
- Conducting immunisation (e.g. COVID-19, polio, cholera measles);
- Strengthening the surveillance and monitoring of infectious diseases;
- Awareness raising and behaviour change communication on nutrition and diversified diet composition at household level;
- Investment in live-saving sustainable and inclusive access to safe water and sanitation, good hygiene practices that reduce the risk of water-related disease transmission, and waste water management;
- Technical assistance to community-level entities associated with the above outputs.

Activities related to Output 1.2 may include:

- GESI analysis in the education sector (analysis of power relations between gender, persons with and without disabilities and groups living in vulnerable situations to promote equal participation and access to services);
- Activities supporting primary and secondary education services in safe learning environments across the country targeting specifically women and girls adjusted regionally and /or locally when principles such as equal access are not met;
- To support school safety, including when possible reconstruction and repairs, as well as community engagement.
- Provision of teaching and learning materials;
- Mental health/Psycho-social support delivered to children and teachers through primary and secondary education services;
- Life skills training and literacy classes delivered for households;
- Cash for Education or incentivise families to send their children back to school through acceptance building and promotion;
- Training of (female) teachers on inclusive, child-centred education and child protection;
- Community engagement to ensure children and youth (especially girls) participation and the protection of the educational spaces;
- Guarantee access to water and sanitation and nutrition at school level.

Activities related to Output 1.3 may include:

- GESI analysis related to sexual and gender-based violence (analysis of power relations between gender, children and adults, persons with and without disabilities and groups living in vulnerable situations);
- Support initiatives to protect boys and girls against violence;
- Support case management services regarding sexual and gender-based violence and strengthen referral systems, including through training of relevant health care staff, and supporting civil society managed referral systems;

- Deliver relevant services, such as health care, psycho-social support and legal assistance to the survivors of sexual and gender-based violence (including boys and girls);
- Deliver mental health/psycho-social support to the survivors of sexual and gender-based violence (including boys and girls);
- Support the reopening and expansion of community-based services for women and girls, including through Women Protection Centres and Family Resource Centres ;
- Guarantee access to information for survivors of sexual and gender-based violence, including through the development of a hotline and strengthening of referral services;
- Develop economic empowerment opportunities in view of survivors' – women, boys and girls – reintegration in the community;
- Community awareness raising on the available protection in cases of sexual and gender based violence, including for boys and girls;
- Sub-grants to local women organisations engaged in advocacy and/or providing services at community-level.

Activities related to Output 2.1 may include:

- Support to the private sector (value chain development, capacity building, grant and loans) also targeting women and groups living in vulnerable situations.
- Community support using unconditional cash transfers, building and rebuilding of assets via cash-for-work/food interventions, livelihood assets also targeting women and groups living in vulnerable situations; followed by post-distribution monitoring.
- Support women's employability in growth sectors.

Activities related to Output 2.2 may include:

- Sensitisation activities with regard to agriculture and climate; encourage climate-adaptation initiatives at community level;
- Construction of feeder roads, stabilisation works, irrigation/water management infrastructure, and renewable energy generation (hydro, solar).

Activities related to Output 3.1 may include:

- Technical Assistance (TA) to the Central Bank (DAB) for the independent performance of core central banking functions with a possible focus on support to DAB's due diligence, AML/CFT supervisory functions and third-party monitoring; support to DAB's capacity to resolute failing credit institutions and broader macroeconomic management; support to the management of DAB's assets;
- TA to other core financial sector public and private institutions

3.3 Mainstreaming

Environmental Protection & Climate Change

The Environmental Impact Assessment screening classified the action as Category C (no need for further assessment), while the Climate Risk Assessment screening concluded that this action is no or low risk (no need for further assessment).

Due to climate change, Afghanistan faces many challenges such as food, water and energy security, including those linked to its arid/semi-arid climate and vulnerability to droughts and floods. In the past 30 years, the country has ranked 24th globally for climate risk and 15th for weather-related disasters. The country's vulnerability is expected to increase, which will have both direct and indirect consequences on public health. In order to improve managing the impacts of climate change on public health and nutrition, climate risk on health and possible adaptation measures in health sector should be included in policy discussions and raised at health policy forums and technical working groups.

All health care providers are held responsible for environmental compliance on health-care waste management in their management plan and have to set standards concerning health waste management. Existing guidelines for healthcare waste management should be taken into account to the extent possible.

Gender equality and empowerment of women and girls

Women and girls continue to face widespread discrimination and human rights abuses.⁹ According to a Survey of the Afghan People 2019, major problems faced by women are unemployment (23.9%), followed by domestic violence (16.9%), lack of women's rights (13.5%), forced marriage (12.2%), and poverty (8.7%).¹⁰

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1.

The action will contribute to address more specifically and ensure the unhindered access to basic services of women and girls with particular attention to Sexual and Reproductive Health and Rights (SRHR), as well as maintaining employment for female workers in the fields of health, nutrition and education. A component of the Action is dedicated to access to protection services for women and girls survivors of sexual and gender-based violence, currently one of the most underfunded areas of the international response to the current needs. Livelihoods opportunities should benefit equally to women, including those heading MSMEs, contributing to their economic empowerment.

It should also be noted that despite the initial positive narrative from the Taliban as regards women participation in society/public life, the Taliban's words did not translate into positive actions (from the central leadership or local authorities), on the contrary, the situation has worsened. Although, the DFA highlighted that the restrictions imposed to women are only temporary, a continuous assessment of such restrictions will be necessary and should inform the EUs position for adapting the activities of this action. Gender Equality and Social inclusion analyses are required to specifically understand social, culture and gender norms in related sectors (health, WASH, protection and education). The action will collect and produce sex-disaggregated data whenever applicable and monitor and evaluate gender sensitive and intersectional indicators.

This action will aim to tackle the growing trend in Afghanistan to infringe women's rights and exclude them from public life, as also was pointed out by the UN Special Rapporteur on the

⁹ For further information, please consult: <https://www.unicef.org/afghanistan/gender-focus>

¹⁰ The Asia Foundation (2019). Survey of the Afghan People.

situation of human rights in Afghanistan, Mr Richard Bennett. It will therefore contribute to the building of a more inclusive society by promoting women's and girls' rights to equal participation and access to education, employment, and other aspects of public life. The action will contribute to the implementation of the EU's Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III)¹¹ which aims to accelerate progress on empowering women and girls, and safeguard gains made on gender equality. The Action contributes to the realisation of the Thematic areas of engagement “Ensuring freedom from all forms of gender-based violence” and “Promoting economic and social rights and empowering girls and women”.

Youth

In 2018, an estimated 63% of the Afghan population was under the age of 25, and 46% under the age of 15.

The experiences and aspirations of Afghan youth are highly diverse – and are affected by gender, social status, geographical location, among other factors. Raised in the aftermath of the first Taliban regime (1996-2001), they have had relatively more access to education than the generations that preceded them. Many, particularly in urban areas, have had more access to media, social media, cultural content drawing on multiple and often competing reference systems. However, young men and women have also grown up in an environment marked by conflict and perpetual political, social, and economic uncertainty – affecting their social roles, including gender representations.

Afghan youth often bear heavy duties towards their family and community, including providing for their relatives – both underage and the elderly, and social duties to marry and bear offspring who will in turn provide for the previous generation and the one to come. The social and economic pressures that come with these duties notably account for labour migration, but also recruitment in armed groups for male youth.

In 2017, the percentage of youth ‘not in employment, education or training’ was estimated at 42% for both sexes, and was particularly high for young women (Afghanistan Living Conditions Survey, 2017). In the context of a staggering economic crisis, pressures on youth are likely to be exacerbated, with risks of labour-market and social exclusion disproportionately higher for women, and heightened pressure placed on male youth. Restrictions on education for girls, but also the possible revision of education curricula are also likely to affect access to education and the pursuit of knowledge.

The action will ensure the specific needs of young men and women are taken into account, including by engaging with CSOs representing their interests, where available. Particular attention will be paid to access to livelihood opportunities, basic skills, and the provisions of health services – with a specific focus on sexual and reproductive health for young women. Young women and girls are also among those targeted as part of the component of the action providing protection for survivors of SGBV.

Human Rights

The action will ensure the implementation of the Human Rights-Based Approach principles: applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; transparency

¹¹ JOIN(2020) 17 final. Brussels, 25.11.2020. Source: https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf

and access to information. A protection mainstreaming approach will be pursued as well, in line with the direct basic needs and livelihoods assistance approach of the Action.

All categories of the community, with a special attention to population living in the most vulnerable situations such as women, girls and all ethnic minorities, will have access to services under this action. Health services will be provided to the entire population, with a focus on under-served areas. The right to education will have a specific attention to groups exposed to unequal access, to education, particularly girls by applying the human rights based approach and the realization of human rights in the design, implementation, monitoring and evaluation of all actions.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that mental health and disability are core components of Basic Package of Health Services and Essential Packages of Hospital Services, and therefore this action will continue expanding health services to persons with disabilities. Disability inclusion will also be mainstreamed in livelihood interventions.

Fight against discrimination

Basic services are provided to the whole population. However, groups living in the most vulnerable situations or the most subject to discriminations, including women, children and persons with disabilities are specifically targeted by this action.

Conflict sensitivity, peace and resilience

The elements of the conflict analysis screening conducted in 2020-2021 that are still relevant in the new context will be factored into the design of activities covered by this action. Flexibility will contribute to ensuring that the activities covered by this action can be more easily coordinated with humanitarian assistance, thereby promoting the EU's crisis response capabilities according to a direct basic needs and livelihoods assistance approach.

Since refugees, returnees and IDPs are a particularly vulnerable segment of the population, they will be specifically considered when expanding the reach of basic services.

With the Taliban victory, military hostilities ceased in most of Afghanistan, putting an end to the primary drivers of displacement. Preliminary statistics from IOM and UNHCR show that current displacement is due to the economic situation in the country and the ongoing drought. Through its focus on economic resilience, this action directly addresses the main drivers of external and internal displacement.

Follow the Safe School Declaration and Guidelines at all levels in the education services and involving the communities, to promote peace and resilience building at community level.

Disaster Risk Reduction

Mainstreaming of disaster risk reduction is equally important to avoid or mitigate as much as possible the negative impact of external shocks (linked to natural or human hazards). Basic services under this action will be provided also to displaced people because of disasters and hazards. Sustained investments in basic services will make them more resilient to cope with the humanitarian impacts of disasters.

Child protection

Child protection will be at the centre of this Action, included in all the components of the intervention. The education services and the communities play a critical role in the protection of children and youth. The implementation of the Safe School Declaration, with the

involvement of communities, is key to guarantee the protection of the most vulnerable ones. Given the context, the actions should support the implementation of the Inter-agency Network for Education in Emergencies Minimum Standards for Education in Emergencies and the Minimum Standards for Child Protection in Humanitarian Action, as relevant. The component of the Action on SGBV will include provision of services to children who are at risk or victims of SGBV as well as prevention activities of the context allows.

Migration and displacement

Migration and displacement (as well as, by extension, return and reintegration) will be addressed through a mainstreaming approach in all parts of the development portfolio. Statistics show that the most important drivers of migration are of an economic nature and that new displacement is primarily caused by extreme weather events and the impact of climate change. Migration has profound gender implications leaving women and girls behind, in vulnerable situations. Migration-specific projects lack the reach to address these issues at large scale. Only an inclusive, resilient economy can sustainably assure that populations are relieved from the pressure to migrate. Activities focussing on economic recovery (both in urban and rural areas), access to services (especially health care and education) and protection will therefore be screened to assure that IDPs and returnees receive access to benefits on equal terms with the larger population. When deciding on implementing areas, communities prone to migrate will receive specific consideration. Advocacy efforts with authorities will include the specific situation of displaced populations.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High / Medium / Low)	Impact (High / Medium / Low)	Mitigating measures
Security Since 15 August 2021, security threats persist to the population in Afghanistan in general, some groups are more vulnerable, such as minorities and NGOs' workers.	Risk 1	H	M	Flexibility given to the implementing partners to engage with the local communities to provide livelihood support and education and health services in challenging areas. Strong institutional collaboration with stakeholders at various levels. Selection of staff from local community for livelihoods activities and the vaccination campaigns.
Political commitment The EU has set benchmarks for engagement with the DFA. It remains to be seen how these benchmarks will be fulfilled. Moreover, several members of the cabinet are included in the UN sanctions' list. Any money flowing to or through the authorities could breach	Risk 2	H	M	Engagement with DFA continues at political level to press on the EU benchmarks set out in the Council Conclusions on Afghanistan of 21 September 2021. Engagement at technical level by the implementing partners with the DFA has become increasingly necessary, for them to allow basic services such as health and education to continue operating despite the many hurdles (access issues, female workers, etc.). Humanitarian/basic needs assistance is delivered in a way that strictly avoids

sanctions or rules for the prevention of terrorism financing. Although the authorities are vying to continue the stewardship role entrusted to the previous government, this cannot happen until these issues are resolved.				any accrual of benefits to persons/entities included in the sanctions lists.
Human resources The brain drain following August 2021 and gaps in human resources hinder the implementation of activities and sustainability of achievements. This includes staff departures since the collapse of the Republic, questions around the freedom for women to work, and a pre-existing shortage of in female staff in basic services.	Risk 3	H	H	Decentralisation of recruitment to provide more autonomy to implementing partners for recruitment of female staff from local communities.
Unequal Social norms Unequal social norms against women can negatively affect participation of women in livelihoods activities, and access to basic services in particular education.	Risk 4	H	H	A systematic gender-sensitive approach will be implemented including a specific gender analysis and specific activities for women. It will be important to avoid a negative impact of an “all women focus” and a possible backlash on women if men are not properly involved in decision-making. GESI analyses will be conducted in specific sectors (Health, WASH, education and protection) at the beginning of the intervention to document power relations (between women and men, persons with and without disabilities, children and adults, etc.). CSOs, women-centred organisations and organisations promoting the rights of girls, women and groups in vulnerable situations will take part of awareness rising to work on social norms.
Acceptability Access to basic services to women and girls as				Technical engagement with the de facto authorities to unblock operational issues such as access of girls and women to

<p>well as women's employment might not be allowed by the <i>de facto</i> authorities.</p> <p>Polio vaccinations – despite a certain level of commitment by the <i>de facto</i> authorities (including Doha level), polio vaccinations have not been able to restart yet. It remains unclear whether the mosque-to-mosque approach will be the only possible one (vs. the requested house-to-house approach).</p>				<p>basic services or allowing female staff to work in projects is performed on a daily basis by the implementing partners (UN, INGOs), at national level as well as local level as the situation is not homogenous across the country.</p> <p>This does not contravene the applicable sanctions.</p> <p>Different operational modalities for vaccination might be deployed on the territory, reaching different types of beneficiaries.</p>
<p>Financial resources and Accountability</p> <p>The availability of funding from the international community to sustain basic needs (notably, in the health and education sectors) poses significant risks in terms of creating fiscal space for security or other low priority expenditures financed from DFA own revenues, as well as labour market distortions.</p>	Risk 5	M/H	M/H	<p>Ensuring effective coordination with international partners to avoid segmentation, overlap and inefficiencies. Gauging, to the extent possible, and pushing for DFA's timely sharing of spending intentions so as to ensure that international support does not lead to crowding out effects. This might entail a closer definition of respective financing responsibilities of the international community and DFA.</p>
<p>Lack of CSO participation</p> <p>Potential tendency to overlook the valuable role and position of national civil society organisations</p>	Risk 6	M	M	<p>The action will encourage opportunities (where possible and relevant) to work with and enhance support from the national civil society and women's organisations active in economic and rural development, education, nutrition and the health sector, such as including them in policy dialogues, consultations and reinforcing their capacities.</p>
<p>Corruption and fraud</p>	Risk 7	M	M	<p>The action will follow the 5 working principles of the human rights-based approach. Transparency and accountability will be ensured in all steps of the action by the establishment of measures and procedures. No funds will flow through governmental channels.</p>

<p>Access to education for women and girls and change of school curriculum</p> <p>The ban on access to secondary school is maintained preventing implementation of education interventions.</p> <p>The potential change of the curriculum that would go against human rights principles</p>	Risk 8	H	H	<p>GESI analysis on the education sector will be conducted at local level to promote equal access to education for girls.</p> <p>Close coordination with partners on the ground who have access to local communities and/or authorities.</p> <p>Adapting interventions to the local context to support (alternatives to the formal) education opportunities.</p> <p>Technical Coordination with the de facto authorities</p> <p>Close monitoring and suspension of interventions in case implementation in compliance with Human Rights principles is jeopardised and/or in cases where girls are denied access to school or in case of change of school curriculum not acceptable to international standards.</p>
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Lessons Learnt

The EU's quick response following the adoption of the 17 and 20 December 2021 basic needs financing decisions has been internationally acknowledged and has contributed to the shaping of a new approach in addressing the Afghan population's key concerns. In just six months since the basic needs 2021 contracts were signed, a number of results have already been achieved. The key ones are detailed hereafter.

Health and nutrition

The Sehatmandi project, through a single programme under Afghanistan Reconstruction Trust Fund (ARTF) has been successful in pooling resources to implement a single countrywide public health system.

Implementation of National Immunisation Days and Sub-National Immunisation Days with oral polio vaccine and targeted use of injecting polio vaccine as part of the multi-antigen / accelerated campaigns in selected high-risk areas is very important for polio eradication. Review of the risk categorisation for high-risk areas and a continued focus on the high-risk districts is key for polio eradication programmes. Maximising reach in inaccessible and underserved areas, using all possible strategies and contingency interventions, particularly in the context of expanding polio outbreaks in inaccessible areas. Identification, mapping and coverage of high-risk mobile populations with a focus on the Southern, Eastern and South-eastern regions.

On the downside, delays in payments and counterproductive incentives in the pay for performance model negatively impacted Service Providers' ability to pay salaries, medicines and other key interventions, resulting in turns in complaints from the public and authorities. Contracting procedures and third-party monitoring appeared vulnerable to undue influence.

Moreover, the almost exclusive reliance on donor funding after two decades of foreign intervention raises questions about aid effectiveness, local ownership and sustainability.

Sexual and Gender-Based Violence

The EU is currently engaged in the sector through the Spotlight Initiative programme in Afghanistan, running until December 2023. While the start of the programme was slowed down by the change of regime, the programme is now in full swing and coordination between UN agencies has increased to avoid duplication and a “silo” approach. Different types of safe spaces and resources centres for victims of abuse are managed by UN agencies. While those running within health facilities have had greater acceptance from local authorities, it has been critical to keep the Women Protection Centres and Family Relationship Centres open to ensure access at community level as well as to offer safe accommodation.

Both the Humanitarian Response Plan 2022 and the One UN Transitional Engagement Framework 2022 prioritise women’s participation and building the capacity of women CSOs as cross-cutting priorities. Most services to survivors are currently provided by local organisations. Increasing funding for services to survivors present an opportunity to scale up investments in interventions that promote the voice and participation of women in Afghanistan, crucial in the current context of lack of funding for women organisations.

Assumptions

- Other partners and donors are committed to funding the services for survivors of sexual and gender-based violence and the improvement of case management
- Funding to services for the survivors for SGBV is done in a coordinated manner with other donors to ensure quality standards
- DFA at local level continue to approve the reopening of safe spaces for survivors and no new policy at national level impose the closure of such safe space

Education

Due to a clear division of labour between donors in Afghanistan, the EU was not directly present as a donor in the education sector. The events after 15 August 2021 required a reassessment of this position.

In order to prevent the collapse of the education sector and keep teachers in the system, in December 2021 the EU and UNICEF signed an agreement to provide incentives and protect teachers to sustain children’s learning in public schools. The EUR 50 million EU contribution supports all teachers in Afghanistan (around 194,000 public school primary, secondary and upper secondary, TVET and Teacher Training College teachers. The monthly payments gave a lifeline for teachers who did not receive their salaries for several months.

While the intervention allowed for the set-up of the payment mechanism which could potentially be used by the ARTF to continue payment of teachers incentives, it also showed the potential for crowding out effect. Furthermore, the funding of the teacher’s incentive did not prevent the Taliban from imposing restrictions on girl’s access to school.

Livelihoods

The EU’s support to livelihoods and local market development has been consistent in the last 15 years. EU engagement in this domain gradually developed over time and was built on the experience of different projects and programmes. EU support has allowed for flexibility in project delivery to directly support market development, and to be able to reach population outside government-controlled regions.

EU support also ensured a well-established network of organisations on the ground to support livelihoods in remote and regions outside of the republic's control.

Assumption:

- Other partners and donors are committed to continue funding the restoration of the livelihoods in Afghanistan.

At the same time, notable **challenges** to the implementation of the basic needs approach include:

- The DFA announcements or practices restricting the rights of women to work (in particular in the public service) or limiting the access to girls and young women to education.
- The DFA increased willingness to control programme design and implementation with the imposition of memoranda of understanding and intrusion in beneficiary selection or even staff recruitments.
- The dysfunctional financial services limiting access to liquidity.
- The impact of the conflict in Ukraine on the prices of certain commodities.
- The absorption capacity of partners involved in aid delivery.

3.5 The Intervention Logic

The underlying intervention logic for this Action is that if health and nutrition (outcome 1.1), education (outcome 1.2), water and sanitation as essential basic services are sustained, and livelihoods can be secured as markets continue to operate (outcome 2.1) and essential food security is guaranteed (outcome 2.2), a full-scale catastrophe can be avoided for the Afghan population, hence contributing to stability within Afghanistan and to regional security.

3.6 Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).

It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
Impact	To improve the socio-economic situation of the population of Afghanistan	1 **Proportion of population below the international poverty line, disaggregated by sex, age, employment status, displacement	1 TBD 2 TBD	1 TBD 2 TBD	1 Global SDG Indicators Database 3 AHS/DHS 2024/5	<i>Not applicable</i>

¹² There where “TBD” is noted, there is no availability of previous data because a study on the baseline is forthcoming. The policy overhaul inside Afghanistan and by the international community vis-à-vis Afghanistan makes it challenging to make a comparison between the pre and post-August 2021 contexts, and therefore impossible to set targets. In the case of the EU, regular development aid has been frozen since August 2021. Baselines will be provided in the inception phase to the extent possible.

¹³ Ibid.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
		status, and geographical location (urban/rural) (SDG Indicator 1.1.1) 2 Number of men, women of reproductive age, adolescent girls and children under 5 reached by basic health services related interventions supported by the EU				
Outcome 1	1 Improve the uptake of basic services of the Afghan population with a particular focus on women, girls and vulnerably groups in complementarity with humanitarian relief efforts	1.1 Proportion of population covered by essential health services (disaggregated by age group, sex, displacement status, administrative sub-regions, location - urban/peri-urban/rural) (Percentage) 1.2 Proportion of school aged children out of school (disaggregated by age group, sex, displacement status, administrative sub-regions, location - urban/peri- urban/rural) (Percentage)	1.1 TBD 1.2. TBD	1.1 TBD 1.2 TBD	1.1 UNESCO Institute for Statistics (UIS), WHO 1.2 UIS	Security situation and access allow for implementation of the actions DFA at the national and local levels do not impede implementation
Outcome 2	2 Enhance the use of opportunities for livelihoods improvement of the population, especially women, girls and vulnerable groups	2.1 **GERF 2.1 Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land, disaggregated by sex	2.1 TBD 2.2 TBD	2.1 TBD 2.2 TBD	2.1 WB 2.2 FAO	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
		2.2 **GERF 2.2 Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha)				
Output 1 related to Outcome 1	1.1. Enhanced access to health and nutrition services by the population, particularly women, children and vulnerable people including IDPs and returnees.	<p>1.1.1 Number of people with access to the Basic Package of Health Services and the Essential Package of Hospital Services (Percentage) with support of the EU-funded intervention, disaggregated by age group, sex,</p> <p>1.1.2 Number of children reached with Polio Vaccine with support of the EU-funded intervention (disaggregated by sex, disability, displacement status and age group).</p> <p>1.1.3. Number of people reached by vaccination for COVID-19 with support of the EU-funded intervention.</p> <p>1.1.4. Number of women/girls reached with increased SRHR services with support of the EU-funded intervention (GAP III).</p> <p>1.1.5. Proportion of women of reproductive age (aged 15 to 49 years) who have their need for</p>	<p>1.1.1 TBD based on the current number of people having access to EPHS and BPHS services</p> <p>1.1.2 TBD based on the current number of children reached with Polio vaccination</p> <p>1.1.3 TBD based on the current number of people reached with C-19 vaccination</p> <p>1.1.4 TBD based on the current number of women of reproductive age</p>	<p>1.1.1 TBD</p> <p>1.1.2 TBD</p> <p>1.1.3 TBD</p> <p>1.1.4 TBD</p>	<p>1.1.1 Health Management Information System report for establishment of new health facilities including infrastructure/equipment handover and inspection documents; Third Party Monitoring</p> <p>1.1.2 Progress reports for the EU-funded intervention; Global Polio Eradication Initiative (GPEI) data and reports</p> <p>1.1.3 Progress reports for the EU-funded intervention; NEPI data and reports;</p> <p>1.1.4 Progress reports for the EU-funded intervention</p>	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
		family planning satisfied (GAP III)	having their needs satisfied			
Output 2 related to Outcome 1	1.2 Enhanced inclusive access to quality primary and secondary education (particularly for girls)	<p>1.2.1 Number of school-aged boys and girls enrolled in quality, equitable and inclusive basic education with support of the EU-funded intervention, disaggregated by age group, sex, disability and displacement status.</p> <p>1.2.2 Number of learning materials distributed with support of the EU-funded intervention (disaggregated by level of education)</p> <p>1.2.3 Number of school books provided with support of the EU-funded intervention (disaggregated by level of education)</p> <p>1.2.4 Number of education spaces that meet protection and well-being standards provided with support of the EU-funded intervention</p> <p>1.2.5 Number of teachers trained with on inclusive, protective and safe education.</p> <p>1.2.6 % of representation of women and men in teaching</p>	<p>1.2.1 TBD based on current number of school-aged boys and girls enrolled in quality, equitable and inclusive basic education</p> <p>1.2.2 TBD based on current number of learning material distributed</p> <p>1.2.3 TBD based on current number of school books provided</p> <p>1.2.4 TBD based on current number of education spaces that meet protection and well-being standards</p>	<p>1.2.1 TBD</p> <p>1.2.2 TBD</p> <p>1.2.3.TBD</p> <p>1.2.4 TBD</p> <p>1.2.5 TBD</p> <p>1.2.6 TBD</p>	<p>1.2.1 Progress reports for the EU-funded intervention</p> <p>1.2.2 Progress reports for the EU-funded intervention</p> <p>1.2.3 Progress reports for the EU-funded intervention</p> <p>1.2.4 Progress reports for the EU-funded intervention</p> <p>1.2.5 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>1.2.6 Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
		profession and management (GAP III)	1.2.5 TBD based on current number of trained on inclusive, protective and safe education 1.2.6 TBD based on current % of representation of women and men in teaching profession and management			
Output 3 related to Outcome 1	1.3 Enhanced access to protection for boys and girls victims of violence and access to protection services for women and girls at risk or survivors of sexual and gender-based violence	1.3.1 Number of women and girls' survivors/victims that have access to accompaniment/support initiatives and services, including longer-term recovery services with support of the EU-funded intervention, disaggregated by age group (GAP III) 1.3.2 Number of safe spaces (inside and outside existing health facilities) that meet protection	1.3.1 TBD 1.3.2 TBD based on the number of centres currently supported 1.3.3 TBD 1.3.4 TBD based on the current	1.3.1 TBD 1.3.2 TBD 1.3.3. TBD 1.3.4 TBD	1.3.1 Progress reports for the EU-funded intervention 1.3.2 Progress reports for the EU-funded intervention	DFA at local level continue to approve the reopening of safe spaces for survivors and no new policy at national level impose the closure of

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
		<p>standards provided with support of the EU-funded intervention, (disaggregated by geographical location) (GAP III)</p> <p>1.3.3 Number of service providers trained by the EU-funded intervention with increased knowledge and/or skills in delivery of quality and coordinated essential services to women and girls' survivors of violence, disaggregated by sex (GAP III)</p> <p>1.3.4 Number of members of women's rights groups, networks and relevant CSOs with increased knowledge and/or skills on networking, partnering and providing services to survivors at local, national, regional and global levels, disaggregated by sex</p>	number of organisations supported under Spotlight Initiative		<p>1.3.3 Pre- and post-training test reports</p> <p>1.3.4 Progress reports for the EU-funded intervention</p>	<p>such safe space</p> <p>Funding to services for survivors, including safe spaces and shelters, is done in a coordinated manner to ensure quality standards across the country</p>
Output 1 related to Outcome 2	2.1 Enhanced access to community-based employment and income-generating	2.1.1 ** GERF 2.13 Number of jobs, supported/sustained by the EU	<p>2.1.1 TBD</p> <p>2.1.2 TBD</p> <p>2.1.3 TBD</p>	<p>2.1.1</p> <p>2.1.2</p>	2.1.1 Progress reports for the EU-funded intervention	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
	opportunities as well as economic activities and opportunities for MSMEs, including female-headed MSMEs	<p>2.1.2 ** GERF 2.17 Number of beneficiaries with access to financial services with EU support (a) firms, disaggregated by sex (GAP III)</p> <p>2.1.2 ** GERF 2.17 Number of beneficiaries with access to financial services with EU support (b) people (all financial services), disaggregated by sex</p> <p>2.1.3 Number of people who have benefited from institution or workplace based vocational education and training /skills development Interventions supported by the EU disaggregated by age group, sex, (GAP III)</p>			<p>2.1.2 Progress reports for the EU-funded intervention</p> <p>2.1.3 Progress reports for the EU-funded intervention</p>	
Output 2 related to Outcome 2	2.2 Enhanced mechanisms for food security and sustainable food production and processing, including food diversification	2.2.1 Number of climate smart agriculture techniques introduced with support of the EU-funded intervention, disaggregated by sex ((Number of women with increased training, financial resources, technology or other resources for sustainable and safe food production, sustainable energy, and clean water sources, for family consumption or for productive uses)	<p>2.2.1 TBD</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p> <p>2.2.4 TBD</p> <p>2.2.5 TBD</p>	<p>2.2.1 TBD</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p> <p>2.2.4 TBD</p> <p>2.2.5 TBD</p>	<p>2.2.1 Progress reports for the EU-funded intervention</p> <p>2.2.2 Progress reports for the EU-funded intervention</p> <p>2.2.3 Progress reports for the EU-funded intervention</p>	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) ¹²	Targets (values and years) ¹³	Sources of data	Assumptions
		<p>2.2.2 Number of kitchen gardens implemented with support of the EU-funded intervention, disaggregated by sex</p> <p>2.2.3 Number of orchards implemented with support of the EU-funded intervention, disaggregated by sex</p> <p>2.2.5 Number of feeder roads, stabilisation works, small scale irrigation, small scale energy generation (hydro, solar) introduced with support of the EU-funded intervention</p> <p>**GERF 2.4 Renewable energy generation capacity installed (MW) with EU support</p> <p>**GERF 2.3 Number of people with access to electricity with EU support through: (a) new access</p>			<p>2.2.4 Progress reports for the EU-funded intervention</p> <p>2.2.5 Progress reports for the EU-funded intervention</p>	
Output related to Outcome 3	3.1 Strengthened capacity of the Central Bank and core public and private financial sector institutions in macroeconomic management.	<p>3.1.1 Number of transactions processed for AML/CFT and diligence purposes</p> <p>3.1.2 Number of transactions verified by third-party monitoring</p>	<p>3.1.1 TBD</p> <p>3.1.2 TBD</p>	<p>3.1.1 TBD</p> <p>3.1.2 TBD</p>	<p>3.1.1 TBD</p> <p>3.1.2 TBD</p>	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is not foreseen to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 36 months from the date of adoption by the Commission of this financing decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁴.

4.3.1 Indirect Management with pillar-assessed entities

A part of this action may be implemented in indirect management with one or more entities which will be selected by the Commission's services using the following criteria:

Entity(ies) drawn from the United Nations specialised agencies (e.g. UNDP, UNICEF, UNHCR, WHO, UN Women, UNFPA) and the World Bank Group. These envisaged entities will be selected according to the new aid architecture being developed in Afghanistan, their consolidated expertise in the different areas of intervention of the Action, their readiness to comply with the approach agreed by Development ministers on 11 October 2021, and their previous experience in running similar programmes in Afghanistan before and after 15 August 2021 or in similar crisis situations. The implementation by these entities entails contributing to specific objectives 1, 2 and/or 3.

If negotiations with the above-mentioned entities fail, that part of the action may be implemented in indirect management with alternative entity(ies) which will be selected by the Commission's services using the following criteria:

- Significant presence inside Afghanistan in the current circumstances;
- Proven experience as EU implementing partner;
- Relevant technical expertise in the sectors tackled by this Action;
- Previous experience in conflict-affected countries and operations focusing on direct basic needs and livelihoods assistance.

¹⁴ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

In case the envisaged entities would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If an entity is replaced, the decision to replace it needs to be justified.

4.3.2 Direct Management: (Grants)

(a) Purpose of the grants

The objectives of the grant, fields of intervention, priorities and expected outcomes are described under section 3.

The grants are expected to focus on direct basic needs and livelihoods assistance, building on ongoing humanitarian actions.

The implementation by this/these entity(ies) entails contributing to (i) specific objective 1, including activities such as the provision of mental health services, support to disabled persons, nutrition services and potentially, activities in the field of education; and (ii) specific objective 2, including support to economic activities at community level. Grant applicants will in particular need to create synergies with other activities funded under EU Afghanistan crisis response and particular other activities under the Afghanistan essential services and livelihoods stabilisation programme.

(b) Type of applicants targeted

In order to be eligible for the grant, applicants must:

- be legal persons; and
- be non-profit-making; and
- be an international organisation as defined by Article 156 of the EU Financial Regulation; or
- a non-governmental civil society organisation established in a Member State of the EU or an eligible country as per Article 28 of the Regulation (EU) 2021/947¹⁵; and
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary and
- be operational (i.e. already managing a project and/or have an office) in Afghanistan.

4.3.3 Direct Management (Procurement)

The objectives of the procurement, fields of intervention, priorities and expected outcomes are described under section 3.

The procurement(s) is (are) expected to focus on Specific Objective 3, including a possible Technical Assistance (TA) to the Central Bank (DAB) for the performance of core central banking functions. Any support to the Central Bank will be coordinated with the relevant actors

¹⁵ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009 (Text with EEA relevance), *OJ L 209, 14.6.2021, p. 1–78*.

(such as WB, the US treasury but not limited to) and will take place after due consultation with relevant Commission services, the European External Action Service and the EU Member States, including through relevant Council working groups such as COASI and/or CODEV.

4.3.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) of Regulation (EU) 2021/947).

4.4 Indicative Budget

Indicative Budget components¹⁶	Indicative EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Indirect management with pillar-assessed entities – cf. section 4.3.1	EUR 90 000 000
Grants – total envelope under section 4.3.2	EUR 55 000 000
Procurement – total envelope under section 4.3.3	EUR 5 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision
Totals	EUR 150 000 000

4.5 Organisational Set-up and Responsibilities

Some of the activities may be carried out through multi-donor Trust Funds managed by international organisations. Should that be the case, the EU is expected to participate in their governance according to its financial participation to them.

Project Steering Committees involving the DFA are not envisaged at this stage.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring

¹⁶ N.B. The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). In particular, third-party monitoring on both technical and financial aspects would probably be more suitable (particularly with reference to the components linked to provision of social services through cash incentives).

Monitoring will assess gender equality results and the implementation of the rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Monitoring will be based on indicators that are disaggregated by sex, age and disability when applicable.

5.2 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this is a focusing on health service delivery in an extremely volatile and fragile context. The lessons learnt from this project could greatly support development cooperation efforts not only in Afghanistan but also in other fragile contexts.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Any evaluation will assess gender equality results and the implementation of the rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Expertise on human rights and gender equality will be ensured in the evaluation teams

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, Action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. Instead, these resources will be consolidated in Cooperation Facilities established by support measure action documents, allowing EU Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

In the specific context of this Action, public communication will need to be carried out very prudently and attentively in order to explain the EU's approach well, i.e. the direct support to the population and distancing from the *de facto* authorities.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Action level		
<input type="checkbox"/>	Single action	n/a
Group of actions level		
<input type="checkbox"/>	Group of actions	n/a
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	<i>tbd</i>
<input checked="" type="checkbox"/>	Single Contract 2	<i>tbd</i>
	(...)	
<input type="checkbox"/>	Group of contracts 1	n/a